CAMBODIA
CUSTOMS GUIDE
2025

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This guide is based on our understanding of publicly known Cambodian laws, regulations and official practices as of 15 October 2024 and may be affected by laws that are subsequently passed by the Cambodian Government or notifications that are adopted by various ministries.

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FOREWORD

It is with pleasure that we launch our inaugural DFDL 2024/2025 Cambodia Customs Booklet. From its inception by Royal Decree in 1951 the modern-day General Department of Customs and Excise of Cambodia (GDCE) has evolved along with the changing local and global economic and political winds.

Key highlights include Cambodia's membership to the World Customs Organization in April 2001, the implementation of several free trade agreements, most recently including the Regional Comprehensive Economic Partnership (RCEP), Korean and Chinese Free Trade Agreements, the enactment of supplementary regulations to the Law on Customs including Rules of Origin, Investment, Special Economic Zones, Trade Remedies, Restricted Goods, and the launch of the new Strategy for Customs Reform and Modernization 2024-2028.

The key pillars in the next step of the modernization of the customs management in Cambodia will allow the GDCE to focus on enhancing the facilitation of trade, improvement of business and investment environments, strengthening of revenue collection and action against cross-border crime.

At a micro-level our clients on the ground in Cambodia are seeing the GDCE become more pro-active with respect to post-clearance audits, tariff classification disputes, and re-assessments concerning the transactional value used by an importer to determine the base on which duties and taxes are applied.

Naturally as Cambodia looks to increase its Free Trade Agreement network and compete with neighboring countries for FDI, via the reliance on investment incentives, there will be tension with revenue collection targets of the GDCE. This tension has led the GDCE to carry out increasingly more customs audits so that annual revenue budgets set by the Royal Government of Cambodia are met.

In the current evolving environment, it has never been more important for businesses operating in Cambodia to be aware of their obligations with respect to the customs requirements in Cambodia and to seek professional advice when in doubt. DFDL is well placed to ensure our clients are customs compliant in Cambodia.

Clint O'Connell
Managing Partner – Head of Tax and Customs
Cambodia

1 OVERVIEW OF CAMBODIA CUSTOMS

Cambodia's economic transformation has been profoundly shaped by its strategic positioning as a key exporter to Europe and the United States. By leveraging its competitive advantages in sectors such as textiles, agriculture, and light manufacturing, the country has established itself as a reliable supplier to some of the world's most demanding markets. Central to this success has been the development of an efficient customs framework, which has facilitated smoother trade flows and ensured compliance with international standards, further enhancing Cambodia's appeal as a trading partner.

A. Overview of Cambodia's Customs Regulations

Customs regulations are overseen by the GDCE of Cambodia under the Ministry of Economy and Finance (MEF). In practice, customs procedures are governed by a mixture of domestic policies, Memorandums of Understanding (MoUs) with countries in the region, and international trade agreements. Cambodia joined the

World Customs Organization (WCO) in 2001, and subsequently implemented several international trade agreements regarding trade, including the Convention on the Harmonized Commodity Description and Coding System and the Revised Kyoto Convention.

Cambodia also joined the World Trade Organization (WTO) in 2004 and in 2016, the country ratified the Agreement on Trade Facilitation of the WTO (WTO-TFA), which resulted in the establishment of the National Committee on Trade Facilitation (NCTF) in 2020. The NCTF oversees implementing the WTO-TFA and coordinating with relevant public and private sector actors to promote compliance.

Cambodia's Law on Customs was promulgated in 2007 and provides the legal framework for customs operations in the country. In practice, customs duties are dependent upon an item's type, value, and origin. Tarriff rates can vary and there can be additional fees to cover administrative costs.

The Law on Standards, also promulgated in 2007, sets the parameters for the quality of products and services permitted for trade in Cambodia. Different governmental departments dictate standards for the trade of goods and/or services under their purview, such as the Ministry of Health (MoH) setting labelling requirements for pharmaceuticals. The National Standards Council was established in 2009 and is chaired by the Ministry of Industry, Science, Technology & Innovation (MISTI). This governmental body is responsible for regulating standards proposed by other governmental departments and branches.

Launched on 1st January 2024, the Customs Reform and Modernisation Strategy 2024-28 aims to enhance trade facilitation and improve the business and investment environment in the country. This strategy focuses on increasing the efficiency of customs administration, particularly in tax collection, while ensuring transparency and fairness. It emphasizes the importance of international cooperation and partnerships with various state institutions, including the Ministry of Commerce (MOC) and the private sector, to achieve these goals. The strategy also addresses contemporary global challenges such as technological advancements and geopolitical tensions.

Building on this strategy, Cambodia has worked to modernize its customs procedures in recent years, digitizing and streamlining certain basic processes while also adopting the Automatic System for Customs Data (ASYCUDA) at all international checkpoints. Although we've seen progress recently (pre-arrival processing, National Single Window), true one-stop service implementation has not yet been achieved, and vestiges of the older system are still noticeable, including bureaucratic delays such as inconsistent requests for paperwork. Guidance from local experts is therefore highly recommended.

B. Economic Landscape and Strategic Location

Economic Development

Cambodia's economic development has seen impressive progress over the past few decades. Between 1995 to 2019 – before COVID-19 struck in 2020 - Cambodia enjoyed a robust annual growth rate of 7.6%, making it one of the fastest-growing economies in the globe. Cambodia did experience an economic downturn in 2020 due to COVID-19 with a growth rate of -3.1%. The post-COVID-19 period saw Cambodia experience a notable recovery with a growth rate of 3% in 2021, 5.2% in 2022 and 5.4% in 2023. A robust economic environment, reflected by the country's economic growth consistently surpassing the global average, is viewed as highly attractive for investment.

Customs and Trade Overview (2024)

The United States remains Cambodia's largest export market, accounting for over 36% of Cambodia's total exports in the first half of 2024. Cambodia exported $4.4 billion worth of goods to the United States, an increase of 3.9% compared to the same period in 2023.

During the first half of 2024, China, Thailand, and Vietnam accounted for 73.4% of the Kingdom's total imported goods. Cambodia imported $10 billion worth of goods from the three countries, an increase of 13% compared to the same period in 2023.

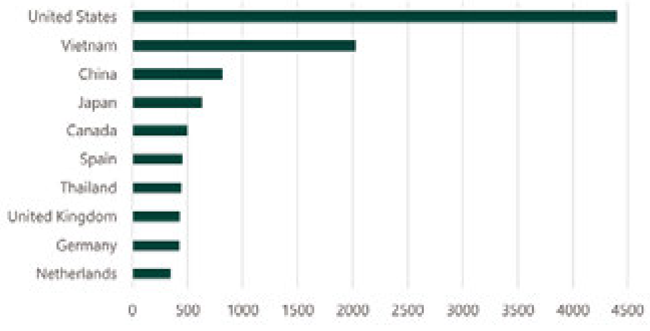
Cambodia's main import products during the first half of 2024 were garment materials, oil, electrical machinery and vehicles.

During the first half of 2024, Cambodia's main export products were garment, footwear and textiles; machinery; electrical equipment; footwear; leather products; grain; furniture; rubber; fruits; vegetables; pearls; and toys.

Access to ASEAN Markets

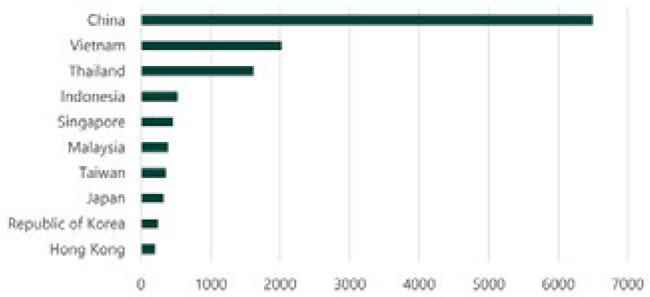
Cambodia is strategically located between the major economies of Thailand and Vietnam and the developing economy of Laos, with direct access to key shipping routes in the Gulf of Thailand. The country is connected to the Mekong River, which provides additional links to Myanmar and China.

Top 10 Export Countries From January to June 2024 (Value in Million USD)



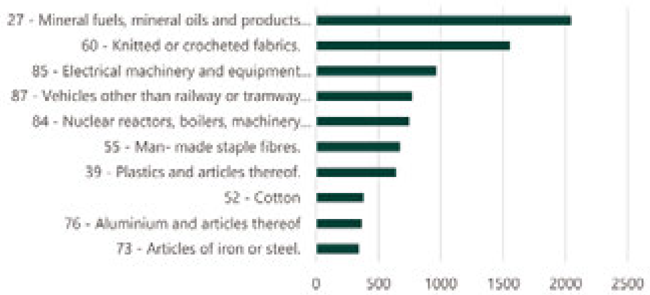
Source: GDCE

Top 10 Import Countries From January to June 2024 (Value in Million USD)



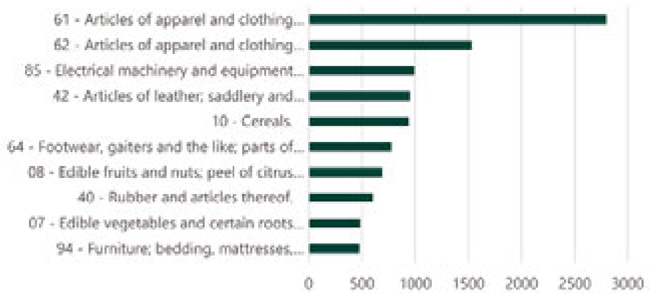
Source: GDCE

Top 10 Import By Commodities (Chapter) From January to June 2024 (Value in Million USD)



Source: GDCE

Top 10 Export By Commodities (Chapter) From January to June 2024 (Value in Million USD)



Source: GDCE

Cambodia's trade with China relies on road, rail, and air links through Vietnam and Laos and shipping through the South China Sea. Additionally, its deep seaport offers direct maritime access to nearby economies like Indonesia, the Philippines, Malaysia, Singapore, and Brunei Darussalam.

As a member of Association of Southeast Asian Nations (ASEAN), Cambodia benefits from streamlined trade and investment opportunities with neighboring countries, making it an ideal entry point for businesses targeting Southeast Asian markets. Situated in the heart of Southeast Asia, Cambodia offers direct access to the dynamic ASEAN market which has a combined population of 670 million and a combined gross domestic product of $3.67 trillion U.S. dollars.

Regional Integration and Trade Diversification

To integrate and diversify the economy, Cambodia has signed various free trade agreement with major export countries, notably in the Asia region. As a member of ASEAN, Cambodia signed the Intra-ASEAN Free Trade Agreement (AFTA) as well as ASEAN's FTA with China, Japan, Korea, India, Australia and New Zealand.

In addition, Cambodia signed the RCEP in 2020, which represents the world's largest trading bloc which accounts for 30% of the world's GDP. This agreement, which came into effect in January 2022, aims to further integrate and diversify Cambodia's economy. Cambodia signed a bilateral free trade agreement with China and Korea in 2020 and 2021, respectively, to further improve market access and foster economic growth. Finally, Cambodia also signed a Comprehensive Economic Partnership Agreement (CEPA) with United Arab Emirates in 2023 to further attract foreign direct investment and trade diversification.

C. Customs Infrastructure

Trade Facilitation Measures

The Royal Government of Cambodia is in the process of simplifying trade processes by digitizing certain processes and adopting international standards. Most notably, the three-phase National Single Window (NSW) was launched by the MEF to create an online platform that allows traders to upload and process documents needed for import and export.

The first phase, which began in 2019, initially connected the Customs Data Automation System with the MOC Certification Automation System and the ASEAN Single Window. In its second phase, the system was expanded to include additional ministries and institutions, enabling it to handle a variety of operations such as issuing licenses, permits, certificates, and other documents. Phase 3, launched in May 2024, further broadened the system's scope by integrating more ministries and institutions, implementing relevant laws and regulations to manage prohibited and restricted goods as well as those eligible for tax incentives. At its launch, the NSW system incorporated 16 government agencies, includ-ing key entities such as GDCE, MOC, Ministry of Health (MOH), the Council of Development of Cambodia (CDC), MISTI, and Ministry of Agriculture, Forestry and Fisheries (MAFF). The platform aims to integrate all relevant ministries and government agencies involved in issuing and processing documents such as phytosanitary certificates and certificates of origin. This digitized process will surely accelerate operations, reduce costs, and enhance accountability and transparency.

Customs Organization Structure

The GDCE is organized into several key departments, including eleven subordinate departments, a Secretariat, and the National Customs School, all based in Phnom Penh's headquarters. Additionally, there are various local units. The structure is as follows:

Headquarters:

- Secretariat
- Department of Finance and Personnel
- Department of Planning and Techniques
- Department of Legal Affairs and Public Relations
- Department of Customs Audit
- Department of Prevention and Suppression
- Department of Excise
- Department of Customs Procedures
- Department of Free Zone Management
- Department of Information Technology
- Department of International Customs Cooperation
- Department of Export Management
- National Customs School (equivalent to a department)

Local Units:

- International Airports Customs and Excise Branch
- Phnom Penh International Port Customs and Excise Branch
- Post Customs and Excise Branch
- Dry Ports Customs and Excise Branch
- Sihanouk Ville International Port Customs and Excise Branch
- 25 Provincial and City Customs and Excise Branches


Route of Funan Techo Canal
Canal Route
Satellite port
Phnom Penh
Mekong
River
Funan Techo Canal
Kep
Vietnam

D. Customs and Trade Updates (2024)

Recent Initiatives to Improve Cambodia's Customs Procedures (2024)

The Government has a pro-trade and pro-business agenda, making it easy to engage with government agencies into dialogue on measures to improve the business climate. A variety of Public-Private Dialogue Platforms are established in Cambodia to foster collaboration between the government and the private sector. Notable examples include EuroCham's Transport & Logistics Committee, the Government-Private Sector Forum and the Customs-Private Sector Partnership Mechanism. These platforms play a crucial role in shaping policies and resolving issues. Here are some of the latest reforms made possible thanks to Public Private Consultations.

Cambodia's GDCE is taking steps to digitalize its customs operations by integrating its multiple already existing Customs digital tools within ASYCUDA and expanding the capabilities of the Cambodia NSW. Some of the most recent examples are:

- The pilot program, launched on July 2024, to digitalize pre-arrival processing at key ports and airports across Cambodia.
- The integration of e-signatures and improved user interfaces for the Cambodia NSW.
- The SOP guidelines for the management of Postal, Express Delivery and Cross-Border E-Commerce, issued in June 2024.
- The current integration of the CVDS into the ASYCUDA and the ASYHUB systems.

New Techo Takhmao International Airport

Techo Takhmao International Airport, situated in Kandal Province near Phnom Penh, is set to become operational in 2025. Upon completion, it will be the 9th largest airport in the world, playing a crucial role in Phnom Penh's emergence as a key inter-regional transport hub.

The new airport is expected to enhance the efficiency of customs operations within Cambodia. By increasing air cargo capacity, it will facilitate the faster and more efficient movement of goods. Also, new facilities at the airport are expected to reduce turnaround time for goods by cutting out delays associated with customs clearance procedures. In addition, its proximity to SEZs and industrial parks will strengthen the logistics chain, providing support to businesses in these areas through enhanced customs services.

The airport's increased capacity, modern infra-structure, and strategic location are anticipated to significantly enhance customs operations, which in turn would boost Cambodia's economic growth.

Funan Techo Canal

The Funan Techo Canal, a 180-kilometer waterway, will connect the Mekong River to Cambodia's coast and the Gulf of Thailand. Set for completion in 2028, this canal aims to establish a direct shipping route between Phnom Penh and the Gulf of Thailand, reducing Cambodia's reliance on Vietnamese ports for trade. This project is central to Cambodia's ambition of becoming a major logistics and economic hub in the Mekong sub-region, driving substantial economic growth.

The canal is expected to enhance cargo transport efficiency, resulting in a larger volume of goods transiting through Cambodian ports. This increase will require further improvements in customs operations to handle the higher traffic. In addition, the canal will facilitate trade routes, particularly for regional trade, by providing a direct and efficient waterway.

E. Contacts/Authorities

General Department of Customs and Excise

No: 6-8, Preah Norodom Blvd., Sangkat Phsar Thmei I, Khan Daun Penh, Phnom Penh

Tel of Public Relations Unit of GDCE:
(855) 23 722 767, (855) 23 722 768

Focal Point Contacts of GDCE:
https://customs.gov.kh/en/about/13057-focal-point-of-gdce

Website: https://customs.gov.kh/

General Department of Taxation

Corner Russian Federation & Mao Tsetong Blvd.
Sangkat Toek La ak I, Khan Tuol Kork, Phnom Penh

Tel: (855) 23 266 668, (855) 886 708

Email: gdt@tax.gov.kh

Website: https://www.tax.gov.kh/

Ministry of Commerce

No. 19-61, Confederation de la Russie Blvd (110)
Phnom Penh

Tel: (855) 23 866 188
Email: cabinet.info@moc.gov.kh

Website: www.moc.gov.kh

2 GENERAL PROCEDURES

A. Registration

Any resident enterprise aiming to engage in the importation or exportation of goods for commercial purposes in Cambodia must have business registration with the Ministry of Commerce (MOC), Value Added Tax (VAT) registration with the General Department of Taxation (GDT), and customs registration with the GDCE. Additional registrations may be necessary if the enterprise operates within a Special Economic Zone or under special arrangements with the Cambodian Government.

Individuals and non-residents are generally not allowed to export goods for commercial purposes.

Enterprises are also required to register with the Automated System for Customs Data (ASYCUDA), an automated customs data management system designed to manage all customs clearance processes. This system enables electronic processing of declarations, risk management, transit operations, and accelerated clearance of goods. In addition, it facilitates the collection of precise and timely statistical data for fiscal and trade policy purposes. Please note that all new importers or exporters are required to register with this system at the Risk Management Office of the GDCE prior to commencing the customs clearance procedure.

B. Customs Declaration

The importation and exportation of goods are subject to normal customs declaration procedures, regardless of whether the goods are eligible for duty or tax exemption.[1] The owners or their authorized representatives are required to declare these goods to the GDCE.[2]

The importer, exporter, or its authorized representative must accomplish a customs declaration form or a Single Administrative Document (SAD), which can be done manually or electronically through the ASYCUDA.

When the SAD is completed, the customs officer will assess the SAD using a risk management criteria system to determine the applicable processing lane.

There are four processing lanes as follows:

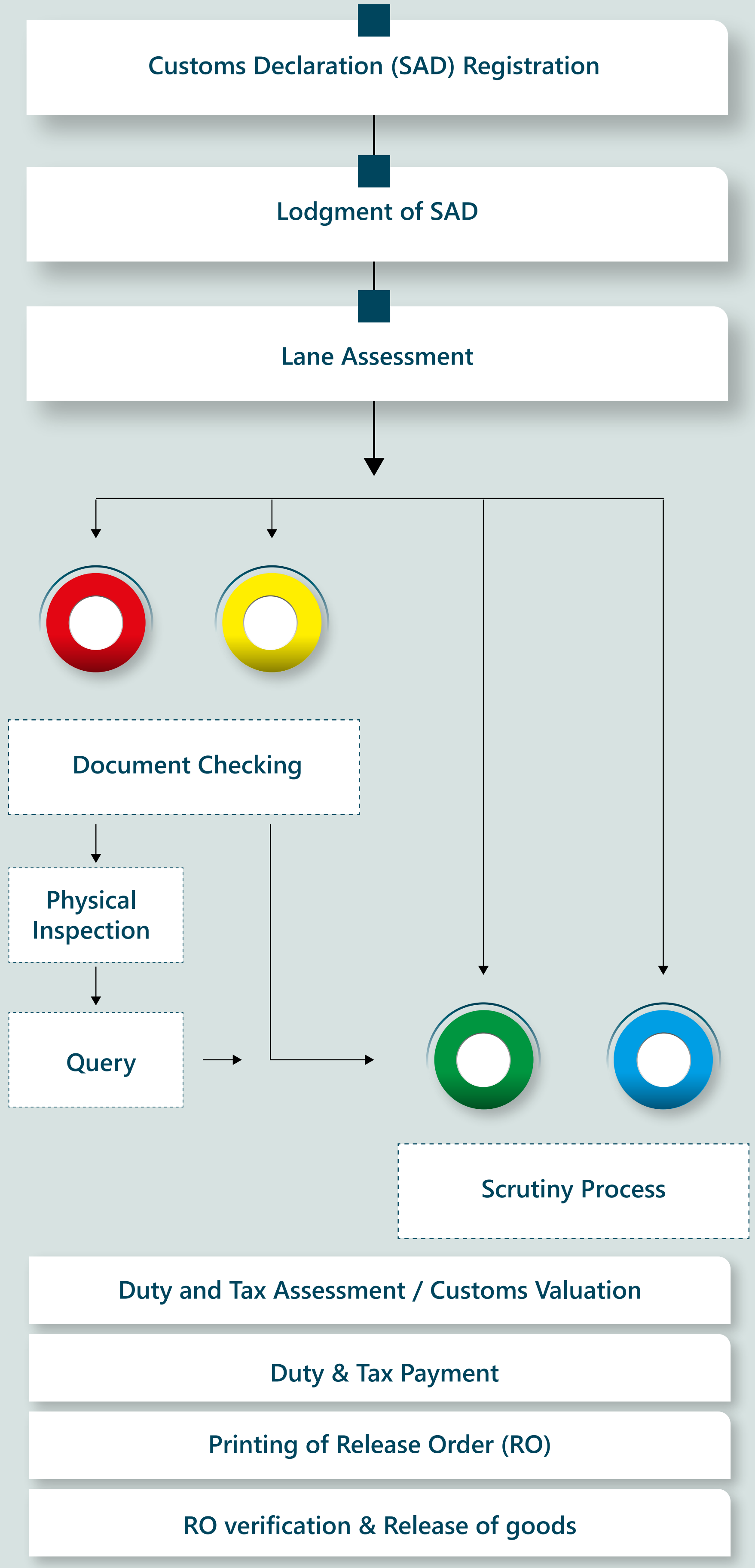
Lane	Requirements
Red Lane	• SAD must be scrutinized (with checking) • Goods are subject to physical inspection before re-routing to Green Lane
Yellow Lane	• SAD must be scrutinized (with checking) • Goods are not subject to physical inspection
Green Lane	• SAD is automatically assessed; a clearance document is issued. • Hardcopy of the SAD is subject to Post-Clearance Audit
Blue Lane	• SAD is automatically assessed and with specific reasons; a clearance document is issued. • Hardcopy of the SAD is subject to Post-Clearance Audit

If the SAD is under Red and Yellow lanes, customs officer will verify the criteria that caused the declaration to be set in these lanes.

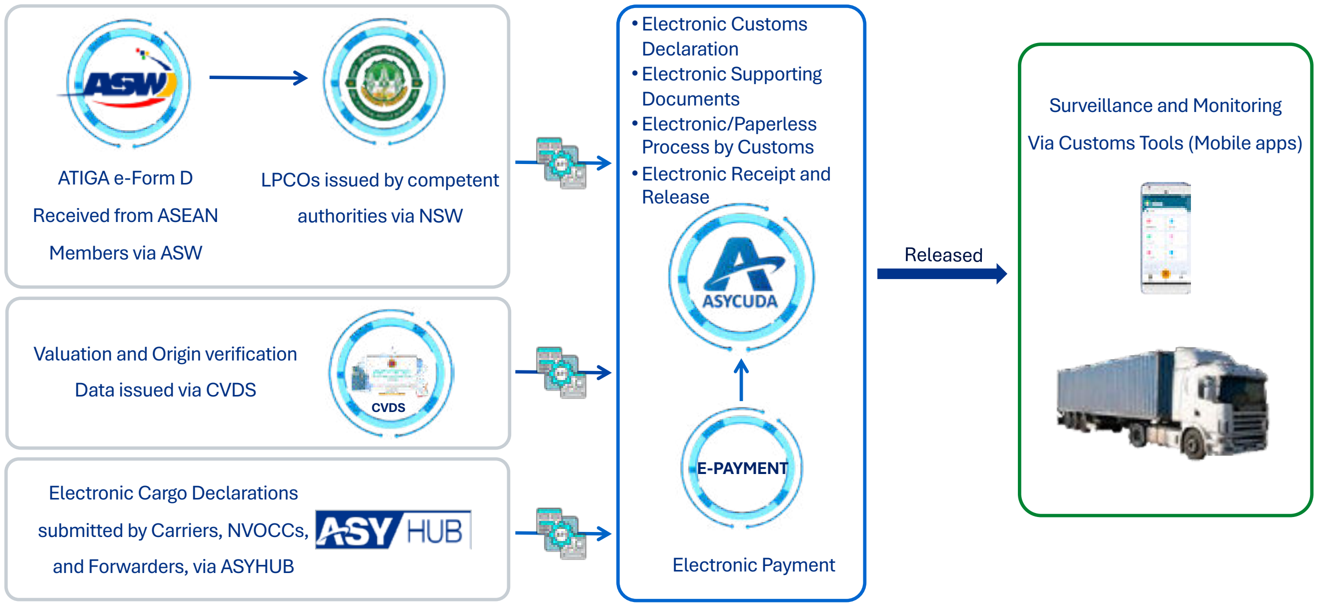
Upon clearance of the SAD's assessment, the system will indicate the amount of duties, taxes, and fees to be settled. Following the payment, GDCE will issue the Cargo Release Note pertaining to the declaration. This note serves as authorization for customs to release the cargo.

1 Article 26 of the LOC.
2 Article 31 of the LOC.

Customs Declaration Procedures



Electronic Data Flow For Customs Clearance



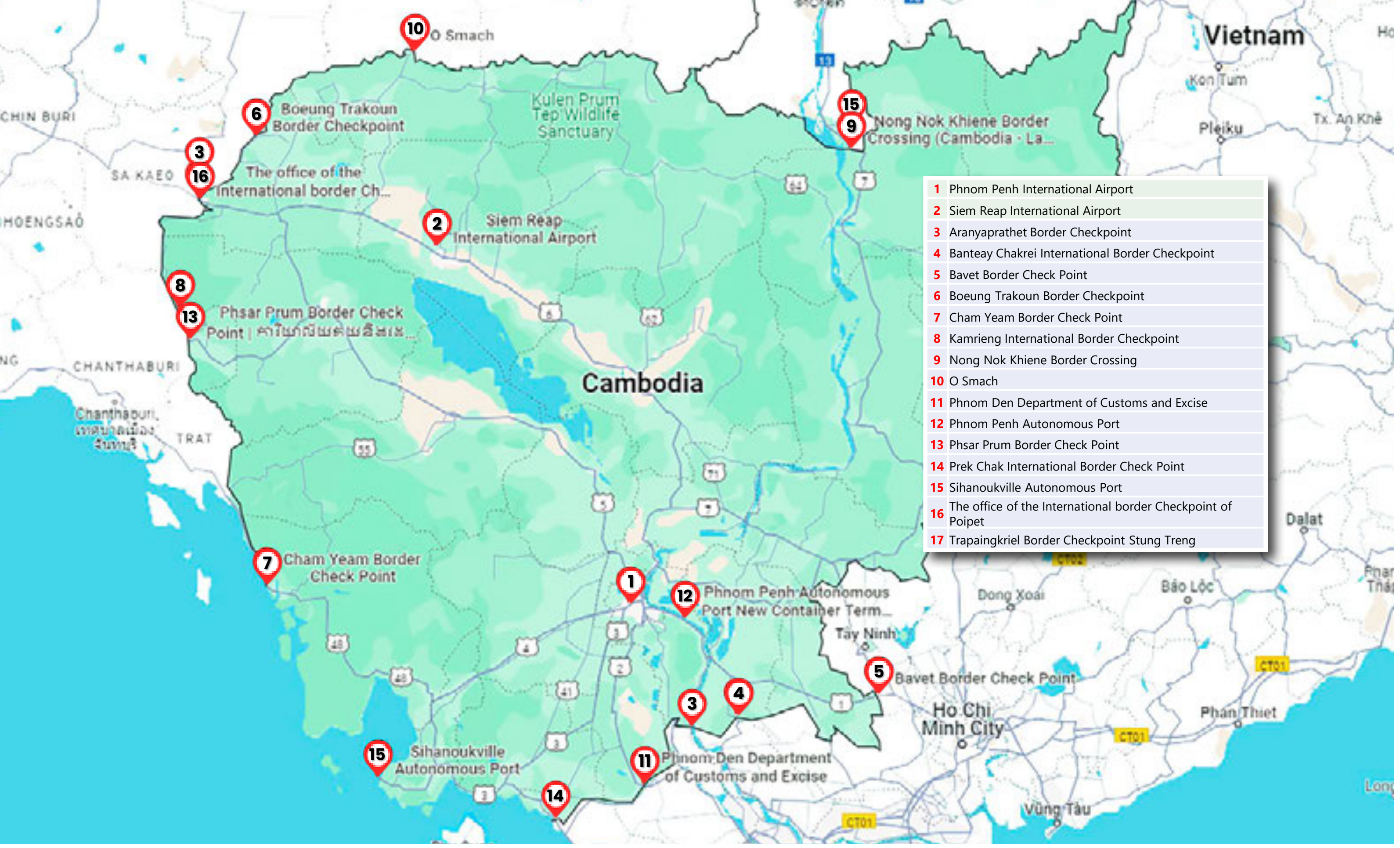
C. Importation of Goods

Goods can be imported through the Cambodia International Sea Port (Sihanouk Ville Port), Phnom Penh Floating Port, Cambodia International border check point, and International Airport. In addition, there exist several Customs Temporary Storages/Dry Ports where goods can be temporarily held before being released to the importer/owner. Notably, the Sihanouk Ville Port is among the most utilized ports where goods undergo screening via the TC-Scan Machine System, implemented to minimize physical inspections conducted by Customs.

Importation procedures differ based on the mode of transportation – sea, air, or land. This encompasses ship formalities for sea imports, aircraft formalities for air imports, cargo warehousing, container scanning, customs declaration process, and inspections. Moreover, special procedures may apply if the importer or owner is entitled to incentives or other types of relief, as detailed in *Section 3* (Special Procedures).

In general, the following documents are required for the importation of goods into Cambodia:

- commercial invoice;
- packing list;
- bill of lading or airway bill;
- copy of the importer's latest patent tax and VAT certificate;
- certificate of origin of the imported goods (if applicable);
- copy of Import Permit or License issued by relevant ministries and the competent authorities for prohibited and restricted goods (if required); and
- Other relevant documents as per the specific requirements of the goods being imported.



D. Export of Goods

All exporters *(or their representatives)* are required to complete the customs declaration and clearance procedures. Export procedures vary depending on whether the goods are to be shipped via sea, air, or land. Similarly to importation, goods can be exported through the SihanoukVille Port, Phnom Penh Floating Port, Cambodia International border checkpoints, and the International Airport.

For non-containerized goods, exporters should directly request customs office or branch approval and then proceed with the export declaration processes. For non-prohibited, containerized goods, exporters should adhere to customs procedures at the Department of Export Management of the GDCE.

However, if the exported goods are prohibited or restricted, exporters must also obtain an export permit from the relevant ministries. Different customs procedures are applic

At Sihanouk Ville Port, garment-related items and agricultural products constitute the majority of export goods. These items undergo inspection primarily at the GDCE Export Office in Phnom Penh, where containers are sealed. Subsequently, at the Sihanouk Ville Port customs office, relevant documents are usually examined, and container seals are verified. If all requirements are met, containers are loaded and prepared for export.

However, certain export items, such as garments and wood products from factories in the Sihanouk Ville area, undergo clearance at the port itself. In such cases, customs officers may conduct reviews and inspections at the exporter's premises.

The GDCE is required to conduct a primary or in-depth spot check on all items before they can be exported. After the customs paperwork is authorized, inspection is finished, and export duties and taxes are paid, the goods are cleared for export.

In general, the following documents are re-quired for the export of goods from Cambodia:

- commercial invoice;
- packing list;
- bill of lading / airway bill, trucking bill of lading;
- customs permit or license *(if applicable)*;
- insurance certificate; and
- certificate of origin issued by the MOC *(if availing a preferential rate under a trade agreement)*.

E. Customs Transit

Customs transit is the customs procedure under which goods are transported under customs control from one customs office to another.[3] This allows goods to pass through Cambodia from one customs office to another without being subject to import duties and taxes.

Customs transit applies to both national and inter-national transits. This can be performed by:

a. Customs Temporary Storage Operators;
b. Customs Bonded Warehouse Operators; and
c. other persons permitted by the GDCE to operate customs transit procedures.

Transit goods are only transported in containers or in transport units approved by the GDCE. They are also required to adhere to the routes designated by the GDCE, and upon reaching the outbound border, transit documentation must be presented to Customs for clearance. In addition, transit goods are also granted exemption from duties and taxes. However, the operator is required to furnish a deposit or security.

In general, the following documents are required to transit goods through Cambodia:

- commercial invoice;
- packing list;
- customs permit or license *(if applicable);*
- certificate of insurance; and
- certificate of origin.

F. Scanning Containerized Goods

Scanning containers is a trade facilitation method that enhances customs' efficiency by allowing for quicker physical inspections and reducing the costs associated with unloading goods. For this, goods must go through the TC-Scan Machine System for inspection.

Scanning of containerized goods is required under the following conditions:

- The Customs Declaration (SAD) is assessed under the Red Lane.
- The SAD is initially in another lane but is re-routed to the Red Lane based on risk information provided by Customs officers.
- Upon request by the importer or owner of the goods.
- Other conditions as specified by the GDCE.

However, this scanning requirement does not apply to the following:

- Export goods that were inspected before loading and secured with customs seals.
- Goods loaded into containers without roofs or walls.
- Goods cleared at Customs and Excise Offices at the border without scanning machines.
- Goods from government institutions, diplomats, organizations with diplomatic immunity, international organizations, or NGOs officially authorized by competent authorities.
- Goods for humanitarian aid or donations.
- Goods exempted by the MEF.
- Goods imported by members of the Best Trader group under Customs risk management principles.
- Empty containers.
- Other goods as specified by the GDCE.

A container scanning fee will apply depending on the size of the container.

3 *Article 9 of the LOC and Prakas 508 dated 1 July 2008.*

3 SPECIAL PROCEDURES

A. Qualified Investment Projects (QIP)

QIP refers to those investment projects in Cambodia that have received approval from the *Council for the Development of Cambodia* (CDC). A QIP that is registered under the Investment Law is eligible for basic tax incentives (either a Tax on Income exemptionperiod or accelerated depreciation) and exemptions from customs duties and taxes. The extent of the goods that may fall under such an exemption depends on the activity of the QIP.

Under the New Law on Investment (2021) and Sub-Decree 139 dated 26 June 2023, a QIP can be entitled to the following customs duty and additional customs-related incentives:

Customs Duty and Tax Incentives

- Exemption from customs duty, specific tax, and VAT on the importation of construction material, construction equipment, and production equipment for use in a production line.
- Exemption from customs duty, specific tax, and VAT on the importation of production inputs of an Export QIPs and Supporting Industry QIP to serve their production line.
- Exemption from customs duty, specific tax, and VAT on the importation of production inputs for certain Domestic QIPs to serve their production line.

Additional Customs Duty and Tax Incentives

- Exemption from customs duty, specific tax, and VAT on the importation of construction materials and equipment for the construction of accommodation, nurseries, emergency rooms, food courts that provide affordable meals exclusively for its workers at its location.
- Reduction in the customs duty, specific tax, and VAT (ranging from 50% to 90%) on the importation of motor vehicle assembly parts for QIPs that assemble motor-vehicles for the domestic market, subject to certain conditions.

Please note that the exemption for customs duties is subject to various conditions, procedures and post clearance reviews by the relevant authorities.

Before importing goods eligible for customs relief, the QIP investor *(or their representative)* is required to request a master list of imported goods from the CDC. Once permission is granted by the CDC, the investor must submit the master list to the GDCE.

Subsequently, the QIP investor should proceed to apply for a customs permit through the NSW after the importation of the required items (as per the Master List). In addition to the master list, the investor should include invoices, packing lists, transportation paperwork, and other relevant documents.

Upon receiving the Customs Permit, the investor must fulfill the Customs Declaration process at the designated entry office.

When it comes to export, the GDCE's Depart-ment of Export Management is in charge of assigning monitoring and inspection teams. Their role is to oversee, manage, control, and collect taxes, duties,

and other fees, as well as to complete customs formalities at customs temporary storages and/or QIP manufacturing facilities for exported goods under QIP, as per current regulations.[4]

QIP investors have the option to request cus-toms officials to handle export documentation at their manufacturing premises or to conso-lidate their goods into a single container for temporary customs storage with other investors. Following a physical inspection, customs officials may seal the container door. Once the accuracy is verified by customs officials at departure offices, the customs seal will be removed.

B. Special Economic Zone (SEZ)

SEZ refers to a specific area designated for the development of economic sectors, encompassing all industrial and allied activities. Examples include export processing zones and general industrial zones. Each SEZ comprises a Production Area and may include a Free Trade Area, Services Area, Residential Area, and Tourism Area. The types of incentives for SEZ developers and investors are outlined in the Law on Investment, Anukret on the Establishment and Management of SEZ, and other relevant legal documents.

Specific procedures govern the submission of applications and documents concerning the import and export of goods from the SEZ, including those in transit. These procedures vary depending on factors such as the SEZ's location, whether exports are destined for dry ports, or intended for domestic sale. Customs officials assigned to the SEZ assess and advise the GDCE on the most efficient route and timing for transporting products into and out of the SEZ, as well as the official checkpoint to be utilized.

C. Temporary Admission

Temporary Admission refers to customs procedures that permit specific items to enter Cambodia with either a full or partial exemption from taxes and charges, under certain conditions. These items are imported for a particular purpose and must be re-exported within a specified timeframe without any modifications except for normal depreciation from usage.[5]

Examples of goods eligible for Temporary Admission include items for display or use at exhibitions or similar events, professional equipment required for technicians or professionals undertaking specialized tasks in Cambodia, and goods imported exclusively for educational, scientific, or cultural pur-poses, among others outlined in Prakas 928.[6]

Importers seeking to import goods under the Temporary Admission procedure must submit a request to the GDCE, providing details such as the intended date of re-exportation, the duration of temporary admission, and the purpose of the import. Additionally, they must also submit customs declarations for these goods to the GDCE. To ensure compliance with duties and taxes applicable to goods under Temporary Admission, the GDCE may request the provision of security.

Under the Temporary Admission procedure, imported goods must be re-exported within one year from the date of importation. However, upon receiving a written request with a valid explanation before the expiration date, the GDCE may grant the importer an extension of this timeframe.

D. Custom Bonded Warehouse

A customs bonded warehouse, as designated by the GDCE, is a facility used for storing, processing, displaying, selling, or other related purposes for goods for which import duties are suspended. Any restrictions or prohibitions on the goods may be waived until they are released for domestic consumption in Cambodia or exported.[7]

Owners of goods are permitted to store their products in a customs-bonded warehouse for a maximum of two years from the date of customs declaration registration, with the possibility of an extension for up to 12 months upon approval by the GDCE.

With the exception of domestic goods potentially subject to export taxes, all goods withdrawn for export require the exporter to submit a customs export declaration. No import or export duties or taxes are applied in this case. Conversely, duties and taxes applicable to goods removed for personal use are determined based on the customs tariff and tax rates applicable on the date of registration of the customs declaration for the removal of the goods from the bonded warehouse.[8]

4 *Prakas 147 dated 8 February 2018.*
5 *Article 9 of the LOC.*

6 *Prakas 928 dated 2 October 2008 on Temporary Importation Under the Temporary Admission.*
7 *Article 9 of the LOC and Prakas 116 dated 15 February 2008.*
8 *Prakas 116 dated 15 February 2008.*

E. Best Trader Incentive Mechanism (BTIM)

In 2014, the GDCE initiated a BTIM, which is an incentive scheme given to high-compliant traders or those identified as Best Traders.[9] BTIM members enjoy priority in submitting declarations, inspecting goods and documents, and releasing items. They are also exempted from the advanced verification of customs value and rules of origin, enabling them to finalize customs procedures at a later stage. In addition, BTIM members benefit from pre-arrival clearance.

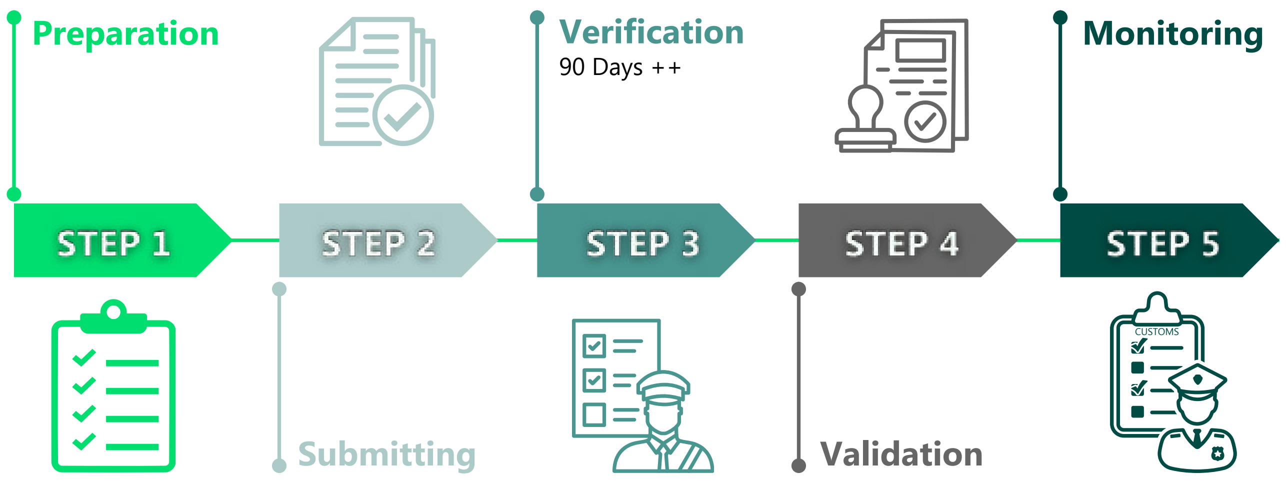
To qualify as BTIM member, a trader must meet the following criteria:

- be ranked in the first category of the Trade Credibility Management System;
- be a legal person with at least KHR 1 billion capital;
- have an annual trade volume of at least USD 2 million;
- have not committed serious customs offences in the past three years and not be in default;
- comply with the record-keeping requirements related to import-export activities according to existing rules; and
- be a member of any authorized business community whose chairperson must verify the financial status and compliance status of the trader.

F. Authorized Economic Operator (AEO)

In 2023, the GDCE implemented an AEO Program, which is a global initiative where customs authorities collaborate with the private sector to promote trade and improve supply chain security and safety.[10] AEO status offers various benefits, including those provided under Mutual Recognition Agreements with partner countries, destination clearance and use of AEO logo, deferred payment for 15 days, and broader relief from customs procedures and formalities compared to those provided to BTIM members.

AEO Application Process



9 Prakas No. 452 dated 11 April 2013, as updated by GDCE's subsequent decisions and instructions.
10 Prakas No. 209 dated 19 April 2023.

To qualify as an AEO member, a trader must meet the following criteria:

- Be a legal entity that demonstrates compliance with import-export regulations and has not committed any serious offenses, including those related to duty and tax payments, within the past three years.
- Maintain a system for recording and managing financial information and records in a clear, accurate, and verifiable format.
- Possess adequate financial resources to support business operations and fulfill tax obligations.
- Engage in regular consultations, cooperation, communication, and information exchange with the GDCE, promptly reporting any changes to the business, irregularities, or discovered crimes in writing.
- Provide training to workers and employees on customs rules, security and safety protocols for the flow of goods, as well as crisis management and response.
- Maintain written and electronic records pertaining to import-export activities, the flow of goods, and the safe management of access, confidentiality, and data storage.
- Implement systems to ensure the safety and security of handling, transport, and storage of import, export, and transit cargo, as well as related to conveyances, containers, premises, warehouses, and other inventory storages.
- Establish systems to manage and record the safety and security measures for personnel, workers, employees, and visitors entering the company's business premises and other relevant locations.
- Develop systems to manage and record the safety and security measures with or for business partners.
- Have clear crisis management mechanisms and contingency plans to prevent and control issues in a timely and up-to-date manner.
- Implement mechanisms for internal audit,review, analysis, evaluation, correction, and improvement on a regular basis.

No.	Criteria	BTIM	AEO
1	Demonstrated Compliance with Customs Requirements	✓	✓
2	Satisfactory System for Management of Commercial Records	✓	✓
3	Financial Viability	✓	✓
4	Consultation, Cooperation, and Communication	✓	✓
5	Education, Training, and Threat Awareness	✓	✓
6	Information Exchange, Access, and Confidentiality	✓	✓
7	Cargo Security	✕	✓
8	Conveyance Security and Premises Security	✕	✓
9	Personnel Security	✕	✓
10	Trading Partner Security	✕	✓
11	Crisis Management and Incident Recovery	✕	✓
12	Measurement, Analysis, and Improvement	✕	✓

Source: GDCE

Comparison of Benefits under the BTIM and AEO

Under BTIM	Under AEO
• Prioritized queuing during declaration lodgment, documentary check, physical inspection, payment, and other procedures without having to follow *first-in first-out* (FIFO) principle, including the customs preparation procedures (Customs permit, other compliance verification processes) and customs clearance process (submission of document, inspection, the payment of duty, tax and other fees) • Deferred submission of document and 20% guarantee of the value of the goods imported provided that the goods are not in the list of prohibited and restricted goods, or have been authorized by relevant authority in case they are prohibited/restricted. • Exemption of advance verification of customs valuation and CO. • For QIP, traders can request for customs import permit directly at the customs office of importation, and the stock management can be self-managed, subject to existing procedures from the GDCE. • Exemption from carrying the goods transport permit and customs seal posting requirement on goods upon the arrival at business premise. • Pre-arrival clearance procedure. • Destination clearance at customs bonded warehouse and temporary storage premise with national transit request carried out at the office of entrance without having to obtain permission from the GDCE.	• Prioritized queuing in both document preparation and customs clearance procedures but following the FIFO principle among AEOs. • Exemption from advance verification procedures prior to customs clearance, such as valuation, classification or origin. • Exemption from carrying the goods transport permit with the cargo and conveyance. • Completion of customs clearance before the arrival of the goods. • Destination clearance, such as at customs bonded warehouses, temporary storage premises or the company's own premises. • Exemption from requesting customs permits from the GDCE headquarters by requesting for import, export or transit directly at the customs checkpoint. • Priority in other customs clearance procedures as determined by the GDCE. • Exemption from container scanning obligations. If necessary, the GDCE may require the container to be scanned in accordance with risk management principles. • Reduced physical inspections in accordance with risk management principles. • Documents deferment relating to import, export and transit without provision of security guarantee.

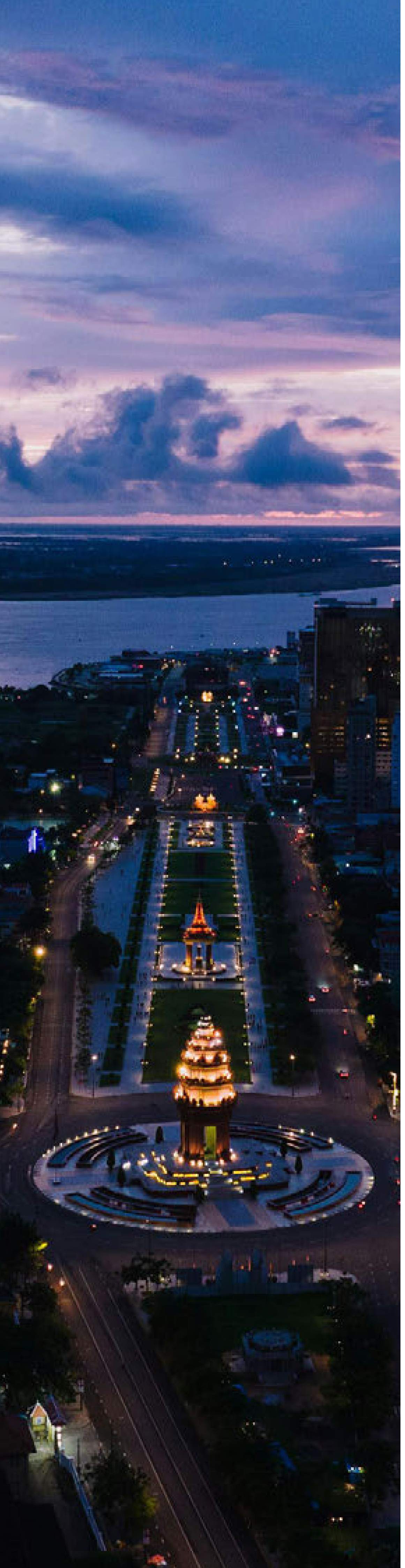
4 PRE-CLEARANCE PROCEDURES

A. Advance Ruling

Since 2013, Cambodia established and has been implementing the Advance Ruling system to enhance trade facilitation and ensure the correctness of customs declaration.[11] The Advance Ruling constitutes a written statement issued by the GDCE in response to inquiries regarding tariff classification, interpretation of customs value, and the origin of goods intended for importation into Cambodia.

To request an Advance Ruling, the applicant (such as the importer, producer of the goods, or its authorized representative) must submit the application (in the prescribed format) to the Department of Planning, Technique, and International Affairs of the GDCE before the actual shipment of the goods in question.

11 *Prakas No. 002 dated 4 January 2013 and subsequent GDCE Instructions.*



Upon issuance, the Advance Ruling is treated as an official document valid for a period of three years. However, it becomes invalid if the factual circumstances outlined in the ruling differ from those of the actual importation, if there are changes in laws and regulations, or if the GDCE amends or revokes the granted advance ruling.

B. Customs Valuation

As a member of the WTO and ASEAN, Cambodia has implemented its Customs Valuation Rules. The customs value of imported goods is determined through the following methods *(in order of priority)*:[12]

1. Transaction Value
2. Transaction Value of Identical Goods
3. Transaction Value of Similar Goods
4. Deductive Value
5. Computed Value
6. Residual Value

Generally, the customs value of imported goods is determined by the transaction value, which refers to the actual price paid or payable for the goods when sold for export to Cambodia. If the transaction value method cannot be applied, the importer or trader may seek guidance from the GDCE on the application of alternative methods. The importer/trader is obligated to declare the customs value of the imported goods on the SAD.

The GDCE assesses the customs value of imported goods considering various factors, including the transaction value, freight and insurance costs, and relevant adjustments. In some instances, the GDCE may establish a minimum customs valuation for certain imported goods. These valuations are derived from the GDCE's minimum price list for specific goods issued regularly.

In addition, the GDCE may adjust the transaction value by adding certain costs related to the imported goods. These may include royalties and license fees that the importer must pay as a condition of sale of the imported goods, commissions and brokerage fees (excluding buying commissions), and assists such as materials, components, design or engineering work used in the production of the imported goods. These will be assessed on a case-by-case basis.

12 *Article 21 of the LOC and Prakas 387 dated 22 May 2008.*

C. Certificate of Origin Verification

The GDCE is responsible for verifying the origin of goods imported into the country.[13] The determination of the goods' origin aligns with the new Rules of Origin in Cambodia. Please refer to related discussion in *Section 7* (Rules of Origin).

The GDCE has the authority to scrutinize the retroactivity of goods' origin presented during importation, verifying the authenticity of documents or the accuracy of information pertaining to the origin of the goods. Moreover, the GDCE has the authority to request importers to furnish information or documents related to the origin of goods in accordance with applicable laws and regulations. This may involve examining the Customs Declaration (SAD), Certificate of Origin Form, and other supporting documents (such as invoices, packing lists, bills of lading/air waybills, and other relevant documents) to ewnsure compliance with existing regulations and trade agreements.

Following the examination, the GDCE will indicate in the Certificate of Origin Form whether preferential treatment is granted for the importation in question. In case the exporting country and importing country have different tariff classification for the imported goods, the Certificate of Origin may not be accepted, and the goods may be released at Most Favored Nation (MFN) rates.

D. Enforcement of List of Prohibited and Restricted Goods

Prohibited and restricted goods are goods that are banned or are subject to a certain conditions and policy considerations, as follows:

- protection of national security;
- protection of public order and stadards of decency and morality;
- protection of human, animal or plant life or health;
- protection of national treasures of artistic, historic or archaeological value;
- conservation of natural resources;
- compliance with the provisions of existing Cambodian legislation; and
- fulfillment of obligations under the Charter of the United Nations.

Sub-Decree 370 dated December 2023, which became effective on 1 May 2024, provides the list of prohibited and restricted goods in Cambodia. Importation or exportation of items listed as prohibited or restricted is strictly prohibited unless the importer obtains the necessary license, permission, or an equivalent jurisdiction letter from the relevant ministry or specialized unit with authority.

13 *Article 18 of the LOC.*

E. Customs Permit

The following import-export goods require application for Customs Permit through NSW:

Type of Goods	Requirements
Import goods under the QIP outside the Free Zone and duties and taxes are covered by the state	• Master list approved by the CDC
Goods in the list of prohibited and restricted goods	License, permit, certificate and/or other legal documents from competent Ministries or Institutions of the Royal Government of Cambodia
Goods of the Ministries or Institutions of the RGC where duties and taxes are covered by the state	Request letter from the Ministry or Institution of the RGC with the permission from the MEF
Imported goods under the framework of grand aids, humanitarian aids,	• For grant and humanitarian aids: approval from the CDC (Cambodia rehabilitation and Development Board) • For cooperation financing (loan): Master list approved by the MEF
Duty and tax-exempt imported goods for or by foreign diplomatic or consular mission, international organization and agencies of technical cooperation of other governments in the exercise of their official functions and their personnel use	• Approval from the Ministry of Foreign Affairs and International Cooperation • Approval from the MEF on customs duty and tax exemption
Personnel effects for person migrating to Cambodia	Approval from the GDCE
Goods under temporary admission	Approval from the GDCE
Other goods subject to the decision of Government or the MEF.	Approval from the Government or the MEF

In all cases, the owner / importer (or its authorized representative) should apply for Customs Permit through National Single Window, accompanied with invoice, packing list, bill of lading, authorization for representative and other relevant documents.

F. De Minimis Procedure

De Minimis goods refer to imported or exported goods in the form of express parcel, non-commercial goods, or goods in similar form that has FOB value not exceeding USD 50.[14]

To facilitate trade following international best practice, the export or import of De Minimis is not obliged to pay customs duty and tax. However, owners or their representatives must still submit a summary customs declaration along with supporting documents, including invoices, packing lists, certificates of tax registration, airway bills or bills of lading, and any other pertinent documents.

14 Circular No. 004 dated 24 July 2012.

5 DUTIES AND TAXES

A. Upon importation of goods

Once a declaration has been lodged and recorded by the GDCE, the importer or owner of the goods becomes responsible for import duties and taxes. There are three types of duties and taxes payable before the imported goods are released from Customs:

1. Customs Duties or Import Duties. Customs duties, regardless of the entry point into Cambodia, are levied at rates ranging from 0% to 35% based on the assessed value or customs value of the imported goods, as detailed in Cambodia's Tariff Schedule (2022). Exemptions may be granted if the imported goods are exempted by law or endorsed by the relevant authorities. In specific instances, duty rates can be reduced to as low as 0% if the "country of origin" of the imported goods has a valid *Free Trade Agreement* (FTA) with Cambodia. Please refer to similar discussion in *Section 6* (Trade Agreements with Cambodia).

2. Specific tax is an excise tax imposed on particular types of goods, ranging from 3% to 45%, and is imposed alongside customs duties. This tax is computed based on the import value (encompassing all relevant taxes and duties excluding VAT) of imported goods. It is collected by the GDCE upon the entry of goods into Cambodia.

3. Import VAT. In general, imported goods are typically subject to a 10% VAT, unless exempted from taxation as per regulations or if the importer has received import tax relief under an investment law. Import VAT is computed based on the import value, inclusive of insurance, freight, import duty, and specific tax.

Exemptions, Partial Exemptions, and Refund of Duties and Taxes

Import duties and taxes will not be charged on goods brought into the Customs Territory for transit or transshipment, subject to certain compliance requirements.[15]

Exemption of import duties and taxes will be granted with respect to the following:

a. goods for foreign diplomatic or consular missions, international organizations and agencies of technical co-operation of other governments, for official business purposes;

b. goods for personal use of officials in item (a) above;

c. goods originating in the Cambodia or that have been previously duty and tax paid, that are exported and returning from abroad, and that have not been enhanced in value; and

d. goods exempted under existing Cambodian laws.[16]

Meanwhile, partial exemption of import duties and taxes may also be granted with respect to the import of:

a. Goods and materials covered by partial exemption under existing Cambodian Laws;

b. seeds and breeding animals for agriculture; goods expected to undergo repair, processing or testing; goods re-imported in the same state; goods imported by the Cambodian Government for public purposes, goods for temporary admission and other goods as determined by the MEF.[17]

B. Upon export of goods

Most goods exported from Cambodia are not subject to export taxes. However, certain products for exports may be subject to export duties and taxes ranging from 0 to 25% as per HS Classification. This covers the export of the following:

Type of Goods	Export tax rate
Natural rubber	2-10% depending on the level and type of processing
Uncut (unprocessed) precious stones	10%
Processed wood	5% and 10%
Fish and crustaceans, mollusks and other aquatic products	10%
Sand	10% to 25% depending on the type of sand

15 *Article 25 of the LOC.*
16 *Article 26 of the LOC.*
17 *Article 27 of the LOC.*

6 TRADE AGREEMENTS WITH CAMBODIA

Cambodia has entered into several FTAs with various countries and economic blocs. These FTAs generally aim to streamline trade and investment flows among member countries, reduce or eliminate trade barriers, and stimulate economic growth.

The RCEP is considered the largest FTA covering 15 member countries in the Asia-Pacific Region. The RCEP is composed of ten countries of the ASEAN (including Cambodia) and five non-ASEAN countries, namely: China, Japan, South Korea, Australia, and New Zealand.

The CAM-UAE CEPA is the third bilateral FTA concluded by Cambodia in recent years. The other two are the CCFTA and CKFTA, which entered into force in 2022.

Export Privileges for Least Developed Countries (LDC)

Cambodia is currently classified by the United Nations as a LDC, granting it access to *Generalized System of Preferences* (GSP) schemes provided by developed countries such as the

USA and the European Union. Through these GSP schemes, many products from Cambodia enjoy exemption or reduction of import tariffs, provided they meet certain requirements. In specific cases, Cambodia's LDC status also qualifies it for supplementary preferences, resulting in more of its products being eligible for duty-free treatment or tariff reductions.

However, Cambodia is anticipated to transition out of its LDC status by the year 2027.

These FTAs are as follows:

- **RCEP** - Regional Comprehensive Economic Partnership Agreement
  - entered into force on 1 January 2022;
- **ATIGA** - ASEAN Trade In Goods Agreement
  - entered into force on 30 April 2011;
- **ACFTA** - ASEAN-China Free Trade Agreement
  - entered into force on 22 September 2008;
- **AKFTA** - ASEAN-Korea Free Trade Agreement
  - entered into force on 6 February 2008;
- **AIFTA** - ASEAN-India Free Trade Area
  - entered into force on 1 January 2010;
- **AJCEP** - ASEAN–Japan Comprehensive Economic Partnership Agreement
  - entered into force on 1 January 2010;
- **AANZFTA** - ASEAN-Australia, New Zealand Free Trade Agreement
  - entered into force on 5 January 2011;
- **AHKFTA** - ASEAN–Hong Kong, China Free Trade Agreement
  - entered into force on 11 June 2019;
- **CCFTA** - Cambodia–China Free Trade Agreement
  - entered into force on 1 January 2022;
- **CKFTA** - Cambodia–Korea Free Trade Agreement
  - entered into force on 1 December 2022; and
- **CAM-UAE CEPA** - Cambodia – United Arab Emirates Comprehensive Economic Partnership Agreement
  - entered into force on 31 January 2024.

In July 2023, Cambodia implemented the ROO Law, which establishes regulations and procedures for determining the origin of goods both exported from and imported into Cambodia. The main purpose of this legislation is to foster and streamline trade benefiting from trade preferences and non-preferential practices, while also safeguarding against origin counterfeiting.

Regional Comprehensive Economic Partnership (RCEP)

On 15 November 2020, leaders of the ASEAN Member States, Australia, China, Japan, Republic of Korea and New Zealand witnessed the signing of the RCEP Agreement.

The RCEP Agreement marks ASEAN's biggest free trade pact to date, covering a market of 2.2 billion people with a combined size of US$26.2 trillion. RCEP came into effect in Cambodia on 1 January 2022.

What is the RCEP Agreement?

The RCEP Agreement is an agreement to broaden and deepen ASEAN's engagement with Australia, China, Japan, Republic of Korea and New Zealand. Together, the RCEP participating countries account for approximately 30% of global GDP and 30% of the world's population. The objective of the RCEP Agreement is to establish a modern, comprehensive, high-quality and mutually beneficial economic partnership that will facilitate the expansion of regional trade and investment and contribute to global economic growth and development. Accordingly, it will bring about market and employment opportunities to businesses and people in the markets covered. The RCEP Agreement will work alongside and support an open, inclusive and rules-based multilateral trading system.

What will the RCEP Agreement do?

The RCEP Agreement contains 20 Chapters relating to trade in goods, trade in services, investment, temporary movement of natural persons, rules of origin, customs procedures and trade facilitation, trade remedies, intellectual property, competition, government procurement and institutional provisions.

The RCEP Agreement will eliminate a range of tariffs on imports and the general elimination of quotas, greater transparency on the application of non-tariff measures, administration of import licensing procedures and the application of fees and formalities connected with importation and exportation between the member countries. The RCEP Agreement will provide a single rulebook covering all 15 markets, which has the potential to significantly reduce complexity and, therefore, compliance costs for exporters.

Interestingly, the RCEP Agreement provides a Chapter on Professional Services, which encourages increased dialogue between two or more interested members relating to the recognition of professional qualifications and relevant bodies to negotiate arrangements for mutual recognition of professional qualifications, licensing or registration in professional services sectors of mutual interest.

Benefit for Cambodia - Rules of Origin

Perhaps the most striking feature of the RCEP Agreement, and the one which could favor Cambodia, is with respect to the rules of origin (ROO) definitions, which are now consolidated for the first time amongst participating nations. To recap, ROO provide criteria needed to determine the national source of a product. Their importance is derived from the fact that duties and restrictions in several cases depend upon the source of imports. ROO are used by countries to determine whether imported products shall receive most-favored-nation treatment or preferential treatment and for the application of labelling and marking requirements. Cambodia, for example, follows the 40% rule with respect to the COO requirements under a number of its trade agreements, whereby at least 40% of the value of the imported product must have originated from a member state to qualify for tariff relief.

Australia, China, Japan, New Zealand, and South Korea are technically advanced nations and to that end have high-end factories, where labor and production costs are relatively high. This means that for processes that need careful labor-intensive involvement, such as finishing garments, the unified rules of origin regulations under RCEP should motivate an increase in manufacturing investment for the finishing of products, such as garments.

By comparison, under existing free trade agreements, businesses with global supply chains might face tariffs because their products contain components that are made elsewhere which means they often cannot meet respective countries ROO.

This will hopefully lead to an increase in investment interest from Australia, Japan, New Zealand, Singapore and South Korea (where production costs are higher) in countries with lower-cost and lesser-skilled workers, such as Cambodia.

Under the RCEP Agreement, businesses can move components of their supply chains to low-cost countries safe in the knowledge that—as long as the content comes from anywhere within the 15 markets in Asia meeting the ROOs for RCEP—it can be shipped to any of the 15 markets in Asia without any changes in formulation. In addition, the new RCEP certificate of origin should reduce costs and time for companies.

7 RULES OF ORIGIN (ROO)

A. Determination of Origin of Goods

The ROO Law provides the criteria for the origin of the goods that are subject to preferential and non-preferential treatment.

For products under Preferential Trade System (i.e., those covered under an FTA or other trade agreements entered by Cambodia as discussed in *Section 6*), the ROO will be determined following the provisions of the relevant FTA or trade agreement. If it is covered by the preferential treatment under a unilateral agreement/ concession, the ROO will be determined following the rules of the importing country.

For products under Non-Preferential Trade System, the ROO will be determined based on the following criteria:

a. whether goods are wholly obtained or produced in one particular country; or
b. essential processing if the production involves many countries or have undergone substantive transformation.

The ROO Law provides examples of goods that are considered as goods wholly obtained or produced in one country. This includes mineral products, live animals raised in the country, and goods entirely made from that country. Meanwhile, for "essential processing" criterion, the ROO will be determined by changing the classification of goods in accordance with tariff schedule or value-added percentage rule.

B. Proof of Origin

The proof of origin covers all types of evidence to support that the declared goods originated in a particular country. This includes the *Certificate of Origin* (CO), whether in paper or electronic format, and the declaration of origin.

COs are often required by both importing and exporting nations due to existing trade agreements with Cambodia. This enables exporters to capitalize on the preference systems of importing countries, including schemes such as the GSP and MFN arrangements.

For goods falling under the Preferential Trade System, the CO must meet the specified criteria outlined in the FTA or trade agreements established with Cambodia. Conversely, for goods covered by unilateral agreements or concessions, the CO must adhere to the ROO of the importing country. In both scenarios, the utilization of electronic COs may be authorized, subject to the provisions outlined in the relevant FTA or trade agreement, and confirmation from the issuing authority of the CO.

Cambodia issues different types of CO, which include the following:

	CO Form
For Generalized System of Preferences	Form A
For Australia and New Zealand (AANZFTA)	Form AANZ
For China (ACFTA)	Form E
For Hong-Kong (AHKFTA)	Form AHK
For India (AIFTA)	Form AI
For Japan (AJCEP)	Form AJ
For Korea (AKFTA)	Form AK
For Cambodia-China (CCFTA)	Form CCFTA
For Cambodia-Korea (CKFTA)	Form CK
For ASEAN (ATIGA)	Form D
For Duty-Free Tariff Preference Scheme for Least Developed Countries.	For DFTPILDC
For RCEP	Form RCEP
For Cambodia-Vietnam	Form S
For Non-Preferential Tariff	Form N

C. Competent Authority in Cambodia

The MOC is responsible for issuing the CO (both in paper and electronic formats) and is authorized to verify the origin of goods for export from Cambodia. Meanwhile, the GDCE is responsible for verifying the origin of goods imported into the country.

8 ANTI-DUMPING PROVISIONS

RGC Royal Kram No. 1117/014 of 17 November 2017 Law on Trade Remedies

Sub-Decree No. 194 ANKr.BK, establishing the National Committee on Trade Remedies – 27 August 2024

The Law on Trade Remedies aims to protect domestic industries in and regulate the flow of international goods into Cambodia. The Law comprises of six chapters and 44 articles, and sets out the principles, mechanisms, procedures, and rules related to trade remedies. The law also contemplates a National Committee on Trade Remedies (Committee).

On August 27, 2024, the Royal Government of Cambodia issued a Sub-Decree establishing the National Committee on Trade Remedies ("NCTR"). This Sub-Decree introduces a new regulatory body intended to oversee and ensure the effective implementation of Cambodia's trade protection measures under the Law on Trade Remedies, which covers anti-dumping, subsidies, countervailing measures, and safeguards related to trade in Cambodia. The creation of the NCTR is a significant step forward in aligning Cambodia's trade policy with international standards, particularly those set by the World Trade Organization ("WTO").

The NCTR comprises representatives from various ministries and governmental bodies, including the Ministry of Industry, Ministry of Justice, Council for the Development of Cambodia, Customs and Excise, General Department of Taxation, and the General Directorate of Internal Trade.

The NCTR is tasked with implementing procedures that adhere to the Law on Trade Remedy and other relevant international agreements. This ensures that Cambodia's trade practices are consistent with global standards.

The definition of a dumped product, normal value, export price, and the procedure to impose anti-dumping measures are provided in Chapter 3 of the Law. An imported product is considered as being dumped if an investigation determines it is being sold at a price lower than its standard price in its country of origin.

If the dumped product is being sold in its country of origin, the normal value shall be determined by comparing the price of the product in the ordinary course of trade for consumption in the country of origin. If there are no sales of the product in the country of origin, or if there are sales in the country of origin but the price could not be determined the NCTR can use the following methods to determine the normal value based on the:

- price at which the like product is sold in the third country; and
- cost of production, plus selling, general, and administrative expenses, and profits (known as "constructed value").

The anti-dumping duty cannot be imposed unless there is a material injury to the domestic product caused by the dumped product. The Committee will determine the material injury by conducting a fair investigation and examination on the positive evidence of the volume and price effects of dumped product, as well as the consequences of the dumped product on the domestic product. The Committee can commence the investigation into dumped products upon receiving a written request or at their sole discretion.

Parties who are not satisfied with the findings of the Committee can appeal to a competent court no later than 30 days after the date of the decision being issued in the Committee's Newsletter.

The anti-dumping duty cannot be imposed unless there is a material injury to the domestic product caused by the dumped product. The NCTR will determine the material injury by conducting a fair investigation and examination on the positive evidence of the volume and price effects of dumped product, as well as the consequences of the dumped product on the domestic product. The NCTR can commence the investigation into dumped products upon receiving a written request or at their sole discretion.

Parties who are not satisfied with the findings of the NCTR can appeal to a competent court no later than 30 days after the date of the decision being issued in the NCTR Newsletter.

9 ADMINISTRATION PROCEDURES

A. Record-keeping requirements

All persons engaged in the importation and export of goods must keep import-export related documents, books, records, and information *(including those in electronic format)* within 10 years at their business premises in Cambodia.[18]

B. Post-Clearance Audits (PCA)

A PCA is an audit, investigation, inspection, or control procedure carried-out by the GDCE after the release of goods. Its objective is to verify and validate the accuracy of declarations by examining pertinent documents, business records, systems, and commercial data held by individuals or companies directly or indirectly engaged in international trade.[19]

18 Article 51 of the LOC.
19 Prakas 388 dated 22 May 2008.

The GDCE may conduct a PCA on entities involved in the import or export of goods, including importers, exporters, customs brokers, operators of customs bonded warehouses, operators of temporary storage facilities, and transportation operators. Selection for PCA typically targets companies identified as "high risk" based on GDCE assessments.

The PCA encompasses a review of tariff classification, origin of goods, and customs value of imported and exported goods. The audit may be either limited (focusing on specific aspects) or comprehensive, at the discretion of the GDCE. The PCA Team may request verification of information through customs offices or conduct audits at the auditee's business premises.

C. Statute of limitations

The GDCE may redetermine the declared tariff classification, origin of goods, and customs value within three years from the date of customs declaration. The period may be extended to 10 years on account of any fraudulent activity.[20]

D. Penalties

The following penalties apply to non-compliance of the customs rules and procedures:

- Penalties for minor offences (including inaccuracies, omissions, or failure to complete any information required in a customs declaration, and failure to meet requirements and obligations that have no impact on duties, taxes, prohibitions, or restrictions): Fine of KHR100,000 to KHR500,000 (approximately US$25 to US$125)[21]
- Penalties for failure to comply with the document retention requirement: Fine of KHR 1 million to KHR 5 million or imprisonment (up to 6 months), or both.[22]
- Penalties for other violations of the customs law and provisions (e.g., failure to report goods, failure to submit customs declaration, non-compliance on requirements for duty free goods, smuggling, etc.): Fine of one to three times the unpaid duties and taxes plus confiscation of goods (as applicable), or imprisonment (up to one year), or both.[23]

Please note that penalties may be waived in case of voluntary declaration of additional duties and taxes provided that such declaration is made to the GDCE within one year from the date of the original customs declaration.[24]

E. Appeal procedures

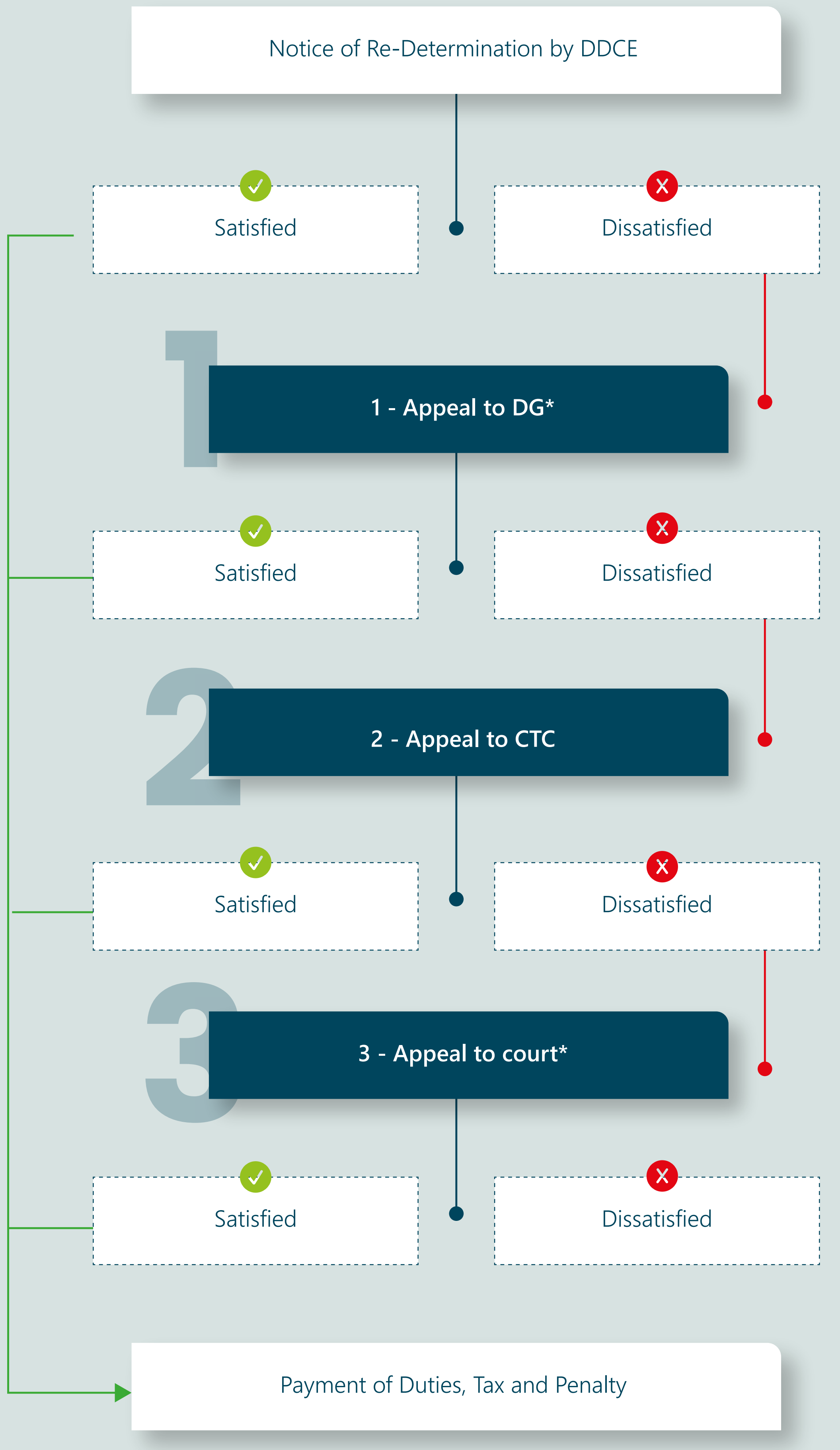
Any person, importer, or agent may file an appeal with the appropriate authority or court if they are dissatisfied with the GDCE's decision on the re-determination of tariff classification, origin, or customs value.

The appeal process has three steps:

1. Appeal to the Director of the GDCE within 30 days from the receipt of the Notice from the GDCE;
2. Appeal to the Customs Tariff Committee (CTC) on the decision of the Director of the GDCE; and
3. Appeal to a competent court within 30 days from the receipt of the decision of the CTC.[25]

Where the customs value is under appeal, the goods can be released without the payment of duties and taxes provided that the importer has sufficient security to cover the duties and taxes under dispute.

20 Article 18 of the LOC.
21 Article 73 of the LOC.
22 Article 74 of the LOC.
23 Article 74 of the LOC.
24 Article 18 and 19 of the LOC.
25 Article 24 of the LOC.



(*) in writing within 30 days

Source: https://customs.gov.kh/en/publications

ABOUT DFDL

Pioneers in frontier markets of Asia

DFDL was established in 1994 and founded on a unique vision: to create an integrated legal and tax advisory firm, with in-depth knowledge of the developing jurisdictions in which we are based.

Our dedicated professionals exhibit the acumen and insight necessary to assist you in navigating the legal complexities and challenges. Drawing on a wide-ranging industry experience and finely tuned local knowledge in countries we operate in, we strive to provide concise, commercially focused and innovative advice.

DFDL has 12 offices, including collaborating firms, in Bangladesh, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

DFDL collaborated with the following local firms:

- Sarin & Associates, Cambodia
- Nusantara DFDL Partnership, Indonesia
- Robin Lynn & Lee, Malaysia
- Ocampo and Suralvo Law Offices, Philippines

DFDL in Singapore is qualified as a foreign law practice and is not licensed to practice Singapore law.

TAX, CUSTOMS, AND ACCOUNTING PRACTICE

Our integrated Tax, Customs and Accounting Team has advised on numerous tax, customs and accounting-related matters, in a notable number of jurisdictions. Not only have we advised on numerous ground-breaking customs-related projects, but we also have been retained as project counsel, accumulating a widespread repertoire, advising on major customs-related projects in the region spanning a myriad of sectors.

Working in conjunction with our legal team, our customs team is positioned to provide key advisory, compliance and disputes services for cross-border and local investments. We offer a full range of customs services, including:

- Assistance in applying for Best Trader and Authorized Economic Operator certification
- Assistance in applying for a Customs Broker license
- Advisory on customs valuation and tariff classification
- Advisory on rules of origin (ROO) and Free Trade Agreement applications
- Assistance in obtaining advance rulings from customs authorities on valuation, tariff, and exemptions
- Advisory on regulatory procedures for customs transit and bonded warehouses
- Advisory services for Duty Free Shop operators
- Application for customs duty and tax exemptions for international organizations, QIP companies, and companies with projects funded by international institutions or foreign governments
- Assistance in applying for Temporary Importation under Temporary Admission Procedures
- Assistance and advisory on documentation and licensing
- Support with Post Customs Audits
- Assistance in resolving customs dispute with the GDCE

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