



**KINGDOM OF CAMBODIA
NATION RELIGION KING**

MINISTRY OF ECONOMY AND FINANCE

NO: 007 MEF

**CIRCULAR
ON
ESTABLISHMENT AND MANAGEMENT OF DUTY FREE SHOP BUSINESS**

Heretofore, the Ministry of Economy and Finance (MEF) has continually issued instructions to manage the formality for importation and the sale of goods imported under duty free shop scheme. Yet, in order to respond to developments, together with opportunities, on relevant sectors in the Kingdom of Cambodia, especially the tourism industry, which have been contributing to social development and economy growth promotion and in order to enhance law compliance on duty free shop in respect to the national laws and international best practices, the MEF decided to revise some principles and procedures for establishment, management and control of the import-export, transportation, storage and sale of goods imported under duty free shop scheme as per below:

I- Principles in Granting the Business License

1. Trader shall propose to the General Department of Customs and Excise of Cambodia (GDCE), by the approved form, a comprehensive project construction plan of and location to build the warehouse. Proposal shall be economic efficiency.
2. Trader shall have letter of condemn (certificate of non-conviction) issued by competent authority.
3. Trader shall have adequate financial resource to provide place, facility equipment, personnel and other services necessary for the business operation.
4. Trader shall have a clean record of compliance with fiscal obligation including the obligations in duty and tax and in properly managing, retaining and holding import-export documents and financial records required by existing laws and regulations.
5. Duty free shop business license shall determine the terms of the contract and business operations between the Customs Administration and duty free shop operator.
6. Duty free shop business license is not allowed to be sold or transferred to other parties.

II- Types of Duty Free Shop

1. International departure terminal: situated in international airport, international seaport, international border and railway station but shall be located after the immigration counter.

2. International arrival terminal: situated in international airport, international seaport, international border and railway station but shall be located before the immigration counter.
3. Downtown duty free shop: situated inside the country for selling goods to awaiting international outbound passengers, diplomats, or similar privileged persons and other persons who received particular preferential from the MEF.
4. In-flight or on-cruise.

III- Principle and Procedure of Importation

1. Quantities and items allowed to import each month for duty free shop shall be restricted in according to the Annex of this Circular. The GCDE can observe and decide to release the restricted import quotas in case that the proposed duty free shop operator is seen to have high compliance.
2. Every import shall be required the import permit issued by the GDCE.
3. Goods imported under duty free shop scheme are subject for 10% fee.
4. Customs clearance and fee payment shall be done at the customs and excise branch or office at entering gate in according to existing laws and regulations.

IV- Warehouse of Goods Imported under Duty Free Shop Scheme

1. The warehouse shall be separated solely for goods imported under the duty free shop scheme and has 2 (two) keys, which one is for customs and another for owner of the duty free shop.
2. The warehouse shall be equipped with loading and controlling facilities adequately to support carrying, transferring, storing and inspecting process.
3. The warehouse shall have mobile separator (partition) to accurately separate items which are under customs inspection and/or intentionally to facilitate in identifying every single item.
4. The warehouse shall have labels and other remarkable signs to recognize each lot into blocs or shelf in the warehouse.

V- Transportation of Goods Imported under Duty Free Shop Scheme

1. Every transport of goods imported under duty free shop scheme shall be attached with transportation permit issued by the GDCE. In necessary case, at least 2 customs and excise officers shall be assigned to escort the goods to the authorized business destination.
2. Truck shall have a closed tight cargo and ensure proper secured technical standard, by having only single door which is for customs seal.
3. Truck shall be painted company commercial logo and affixed a transporting card, issued by the GDCE, on the front mirror of the truck.

VI- Customers of Duty Free Shop

Duty free shop's customers include foreigner travelers, foreign crews, diplomats reside in the Kingdom of Cambodia and other persons who receive particular preferences from the MEF and meet the condition of sale under duty free shop scheme.

VII- Conditions of Sale under Duty Free Shop Scheme

1. Goods are allowed to sell to inbound passengers to or outbound passengers from the Kingdom of Cambodia or transit passengers, under this Circular provision, after they have shown their valid passport and their valid passport has been checked and approved by competent authority for entering or exiting the Kingdom of Cambodia.
2. Goods are allowed to sell directly to passengers in international flight, of Cambodian or other airlines, or passengers on cruise ship in accordance with the regulations in the Kingdom of Cambodia.
3. Customers waiting for international departure who are foreign travelers, Cambodian with other nationalities and Cambodian people shall show their valid passports and air-tickets, which are not more than 15 days to departure dates, for the purchase of goods in downtown duty free shop. All the purchased goods shall be handed over at the international gates following the exit formalities have been done, excepting that there is particular approval from the MEF to hand over them at the shop.
4. Foreign currency used for payment shall comply with exchange rate announced by National Bank of Cambodia.

VIII- Goods Sold in Duty Free Shop

1. Goods for sale in duty free shop include imported goods listed in the Annex on Quantity and Items Allowed for Monthly Import to Duty Free Shop, under this Circular or other goods particularly approved by the MEF.
2. Duty free shop is encouraged to merchandise domestic products and other goods from legal sources conformed to existing regulations. Goods imported under duty free shop scheme, goods produced domestically and other goods from legal source sold in duty free shop are considered as exported goods and get incentives in accordance with the existing regulations. Duty free shop operator shall precisely report to the Customs Administration list of items that are produced domestically or from legal source.
3. All merchandised goods in duty free shop shall have a sticker: “CAMBODIA DUTY NOT PAID”, conformed to design from the GDCE.

IX- Quantity Restricted for Sales

1. Passenger arriving into the Kingdom of Cambodia can purchase goods in quantity as per the Annex on Quantity and Items Allowed for Sales to One Customer in Duty Free Shop, of this circular.
2. Passenger departing from the Kingdom of Cambodia can purchase unlimited quantity of goods, yet one shall bear responsibility for any legislative procedures and quantity restricted of the imported goods in destination country by themselves.
3. Customer can purchase goods in downtown duty free shop in unrestricted quantity which the goods shall be handed over at any international border gates of the Kingdom of Cambodia under customs control, except the goods, in suitable quantity for a passenger or for personal use in accordance with the existing regulations, that get particular approval from the MEF to hand over the goods at the shop.

X- Re-Exportation, Diversion into Domestic Market and Responsibility on Broken, Damaged and Defective Items

1. Provided that the goods imported under duty free shop scheme stores in warehouse for overdue period caused by sales fail and required to dispose, sell in domestic market or re-export, the duty free shop operator shall request permission in advance from the GDCE in according to existing regulations.
2. Goods diverted into domestic market are liable for duty and taxes in accordance with existing regulations.
3. For the broken, damaged and defective goods which are inconsumable, the duty free shop operator shall keep records, which are acknowledged by competent customs and excise officers, and use them as supporting documents for disposal request.

XI- Obligations of Customs and Excise Officers

1. The GDCE shall assign acceptable number of relevant competent customs and excise officers to standby at warehouse and duty free shop to manage and control stock in-out and sales, and to regularly report to their units. The GDCE also assigns customs and excise officers at local customs units to monitor any suspicious activities related to irregularities in transporting goods imported under duty free shop scheme. In case of necessity in prevention or suppression, local customs units shall coordinate with customs and excise officers of department of prevention and suppression (headquarter unit) or provincial-municipal customs and excise branch or shall request cooperation from competent authorities closest to offensive case area.
2. Customs and excise officers in all units including at warehouse, duty free shop or at any other local areas shall not cause any inactiveness or delays that are false from legal procedures or they will have discipline in according to existing regulations.

XII- Obligations of Duty Free Shop Operators

1. Deliberately obeying and fulfilling this Circular, the agreement on establishment and operation duty free shop and other related regulations.
2. Regularly facilitating and cooperating with the relevant competent officers.
3. Submitting on time reports following the forms instructed by the GDCE.
4. On sales invoice, precisely noting down items specifications and quantity, and customer identities on daily basis.
5. Keeping customer's data (records) for customs audit.
6. Taking legal responsibilities to the leakage of goods imported under duty free shop scheme into domestic market.
7. Paying annual license fee in according to existing regulations.

XIII- Responsibilities for Violation

Any duty free shop operators commit offense to this Circular or other related regulations will have their duty free shop business license suspended or revoked and be accountable for any punishments in according to existing laws.

Acknowledged this Circular, the GDCE shall widely promulgate and effectively implement starting from January 1st, 2019, onward.

Phnom Penh, 25th July 2018

Senior Minister

Minister of Economy and Finance

(signature & stamp)

Akka Bandit Sapheacha **Aun Pornmoniroth**

ANNEX

Quantity and Items Allowed for Monthly Import to Duty Free Shop
(Attached with Circular No. 007 dated 25th July 2018 of Ministry of Economy and Finance)

| No. | Item | Unit | Quantity | Other |
|------------|-------------------------------|---------------|-----------------|--------------|
| 1 | Cigarette | Of 50 cartons | 200 | |
| 2 | Cigar | Carton | 300 | |
| 3 | Wine | Box | 200 | |
| 4 | Beer | Box | 450 | |
| 5 | Other beverages | Box | 450 | |
| 6 | Biscuit | Kg | 1,000 | |
| 7 | All kind of candy | Kg | 1,000 | |
| 8 | Canned food | Kg | 600 | |
| 9 | Tea and coffee in pack or tin | Kg | 300 | |
| 10 | Cloths | Pcs | 300 | |
| 11 | Hair bow | Pcs | 900 | |
| 12 | Towel | Pcs | 600 | |
| 13 | Tie | Pcs | 300 | |
| 14 | Shoes | Pair | 300 | |
| 15 | Sock | Pair | 300 | |
| 16 | Belt | Pcs | 300 | |
| 17 | Bag | Pcs | 150 | |
| 18 | Cosmetic | Pcs | 1,200 | |
| 19 | Perfume | Bottle | 300 | |
| 20 | Sporting goods | Pcs | 300 | |
| 21 | Toy | Pcs | 600 | |
| 22 | Souvenir | Pcs | 600 | |
| 23 | Umbrella | Pcs | 300 | |
| 24 | Hat | Pcs | 300 | |
| 25 | Watch | Pcs | 150 | |
| 26 | Pens | Pcs | 300 | |
| 27 | Lighter | Pcs | 900 | |
| 28 | Small personal camera (photo) | Unit | 90 | |
| 29 | Calculator | Unit | 90 | |

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|----|---------------------------------|------|-------|--|
| 30 | Small personal camera (video) | Unit | 60 | |
| 31 | Small radio | Unit | 90 | |
| 32 | Music player below 50W | Unit | 60 | |
| 33 | Other electronic devices | Unit | 300 | |
| 34 | Candle | Kg | 500 | |
| 35 | Imitate jewelry | Pcs | 300 | |
| 36 | Jewelry | Pcs | 300 | |
| 37 | Eyewear | Pcs | 300 | |
| 38 | Diary product | Kg | 1,000 | |
| 39 | All kind of luggage | Pcs | 300 | |
| 40 | Small mobile electronic devices | Pcs | 200 | |
| 41 | Small crystal (gem) goods | Pcs | 500 | |
| 42 | Nutrition | Kg | 200 | |
| 43 | Dried fruits | Kg | 1,000 | |
| 44 | Travel accessory | Pcs | 500 | |

ANNEX

Quantity and Items Allowed for Sales to One Customer in Duty Free Shop
(Attached with Circular No. 007 dated 25th July 2018 of Ministry of Economy and Finance)

| No. | Item | Unit | Quantity | Other |
|------------|-------------------------------|-------------|-----------------|--------------|
| 1 | Cigarette | Carton | 2 | |
| 2 | Cigar | Pack | 5 | |
| 3 | Wine | Bottle | 2 | |
| 4 | Beer | Can | 6 | |
| 5 | Other beverages | Can | 6 | |
| 6 | Biscuit | Kg | 1 | |
| 7 | All kind of candy | Kg | 1 | |
| 8 | Canned food | Kg | 1 | |
| 9 | Tea and coffee in pack or tin | Kg | 1 | |
| 10 | Cloths | Pcs | 2 | |
| 11 | Hair bow | Pcs | 2 | |
| 12 | Towel | Pcs | 2 | |
| 13 | Tie | Pcs | 2 | |
| 14 | Shoes | Pair | 2 | |
| 15 | Sock | Pair | 2 | |
| 16 | Belt | Pcs | 2 | |
| 17 | Bag | Pcs | 2 | |
| 18 | Cosmetic | Pcs | 2 | |
| 19 | Perfume | Bottle | 2 | |
| 20 | Sporting goods | Pcs | 2 | |
| 21 | Toy | Pcs | 5 | |
| 22 | Souvenir | Pcs | 5 | |
| 23 | Umbrella | Pcs | 2 | |
| 24 | Hat | Pcs | 2 | |
| 25 | Watch | Pcs | 2 | |
| 26 | Pens | Pcs | 2 | |
| 27 | Lighter | Pcs | 2 | |
| 28 | Small personal camera (photo) | Unit | 1 | |
| 29 | Calculator | Unit | 1 | |

| | | | | |
|----|---------------------------------|------|---|--|
| 30 | Small personal camera (video) | Unit | 1 | |
| 31 | Small radio | Unit | 1 | |
| 32 | Music player below 50W | Unit | 1 | |
| 33 | Other electronic devices | Unit | 2 | |
| 34 | Candle | Kg | 5 | |
| 35 | Imitate jewelry | Pcs | 2 | |
| 36 | Jewelry | Pcs | 2 | |
| 37 | Eyewear | Pcs | 2 | |
| 38 | Diary product | Kg | 5 | |
| 39 | All kind of luggage | Pcs | 1 | |
| 40 | Small mobile electronic devices | Pcs | 1 | |
| 41 | Small crystal (gem) goods | Pcs | 2 | |
| 42 | Nutrition | Kg | 2 | |
| 43 | Dried fruits | Kg | 1 | |
| 44 | Travel accessory | Pcs | 2 | |