

KINGDOM OF CAMBODIA

Nation Religion King

Ministry of Economy and Finance

No. 452 MEF.GDCE

PRAKAS

On

Best Trader Incentive Mechanism

**Deputy Prime Minister
Minister of Economy and Finance**

- Having seen constitution of Kingdom of Cambodia;
- Having seen Preah ReachKret No 0908/1055 PRK dated on 25 September 2008 on the Appointment of the Royal Government of Cambodia;
- Having Seen Reach Kram No 02 NS.94 dated 20 July 1994 promulgating the Law on the Organization and Functioning of the Council of Ministers;
- Having Seen Reach Kram No NS/RKM/0196/18 dated 24 January 1996 promulgating the Law on the Establishment of the Ministry of Economy and Finance;
- Having Seen Reach Kram No NS/RKM/0707/017 dated 20 July 2007 promulgating The Law on Customs;
- Having seen Anukret No 04 ANK.BK dated 20 January 2000 on the Organization and Functioning of the Ministry of Economy and Finance;
- Having seen Anukret No 134 ANK.BK dated 15 September 2008 on Upgrading Customs and Excise Department, Taxation Department and National Treasury Department of Ministry of Economy and Finance to General Department of Customs and Excise of Cambodia, General Department of Taxation and General Department of National Treasury of the Ministry of Economy and Finance;
- Having Seen Anukret No. 152.ANK.BK Dated 06 October 2008 on the establishment of Department of Excise, Department of Customs Regime and Department of Free Zone Management under the General Department of Customs and Excise of Cambodia;
- Having seen Anukret No. 21 ANK.BK dated 10 March 2006 on Trade Facilitation Through Risk Management;
- Having seen Letter No. 506 SCN dated 26 March 2009 of the council of minister;
- Referring to priority task of the Ministry of Economy and Finance

HEREBY DECIDES

Praka 1

Establish and implement the Best Trader Incentive Mechanism (BTIM) in order to encourage to high compliant Export and Import investors in all images industry or contractor directly supplying goods or services to serve export of garment industry, textile industry, and shoe industry shall receive some favors on implementation of VAT.

Praka 2

Best Trader Incentive Mechanism as noticed in Praka 1 shall implement under the management of Best Trader Management Unit which is directly under the management of Department of Legal Affairs Auditing and Public Relations of General Department of Customs and Excise of Cambodia and managed by members of Customs and Excise of Cambodia through the determination of General Department of Customs and excise of Cambodia.

Praka 3

General Department of Customs and Excise of Cambodia has duties as follow;

1. Determine the duration of judgment to select Best Trader based on the following scenarios:
 - Classify Trader of Trader Credibility Management System (TCMS)
 - Have never intentionally committed serious customs offence especially relate to the Classification of Origin, impact Customs Value in a limited time.
 - Not over indebtedness of Customs Tax and Excise
 - Prepare and keep export-import documents with clear and precise notation in accordance with existing regulation
 - Trustworthiness of General Department of Customs and Excise of Cambodia
 - Cooperating with Auditing Unit in Customs Auditing process
 - Show truthful willingness in implementing the existing law and regulation

- Reliable ability on Financing
 - Regularly have good cooperation, consultation and relation with Customs administration professionally
 - Participate in any forms to insure the security of goods, transportation, business building of its business partners
 - Reserve the strategy to improving against with any unexpected risks
 - Receiving permission as economic operator from foreign Customs administration.
2. Determine the duration of Incentive Treatment Package to best traders in any form as follow:
- Provide exemption the whole or partial inspection on export-import goods including scanning obligation of trader within a limited duration in accordance with existing regulation, especially related to implementation on trade facilitation principle through risk management of Royal Government of Cambodia.
 - Provide permission to apply for advance customs clearance on export-import in decentralized form and provide the exemption on Security requirement in according with existing prevision.
 - Permission to freely transport goods of traders through the exemption on Customs Application for Transportation customs seal and other requirement.
 - Provide first priority without following the First-In First-Out principle and facilitate at maximum level on customs formalities registration on export-import in accordance with existing provision including the implementation on unofficial fee.
 - Provide the exemption on verification procedure and customs valuation advance ruling or origin of goods and also provide in home auditing.
 - Paying Tax and Excise in any form which is able to facilitate for Traders.
 - Other favor treatment in accordance with existing provision through the determination of General Department of Customs and Excise of Cambodia.

Legal persons who are acknowledged as High Compliant Trader shall receive the treatment in accordance with Praka 3 of this Prakas which is notified on the Certificate of Best Trader issued by the Ministry of Economy and Finance as in the request of General Department of Customs and Excise of Cambodia for a limited time.

Praka 5

As request of General Department of Customs and Excise of Cambodia, the Ministry of Economy and Finance would cancel or suspend the certificate which is no longer qualified and be legal of Best Trader as in provision 2 of this Prakas.

General Department of Customs and Excise of Cambodia shall request for agreement in advance from the Ministry of Economy and Finance before delaying the validity on Certificate of Best Trader in necessary.

Praka 6

Any Prakas and regulations contradict to this Prakas shall be deemed null and void.

Praka 7

The Delegate of the Government in charge of Department of Customs and Excise, General Secretariat, Director of Cabinet, and all relevant units under the Ministry of Economy and Finance shall implement the provisions of this Prakas effectively from the date of signature hereafter.

Deputy Prime Minister
Minister of Economy and Finance

Keat Chhon

CC:

- Cabinet of Deputy Prime Minister, Minister of Economy and Finance
- Cabinet of Samdach Akkak Moha Sena Badei Decho Hun Sen, Priminister Of Cambodia
- Committee for leading private sector development
- Council for the Development of Cambodia
- All ministries and institutions
- Provincial and municipality hall
- Cambodia Chamber of Commerce
- “For information”
- As Praka 7
- Documents-Archive