

August 15, 2002

KINGDOM OF CAMBODIA
Nation-Religion-King

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LAW ON CUSTOMS

CHAPTER I: PRELIMINARY

Article 1: Purpose

A. The purpose of this Law is;

- to provide for the assessment and collection of duties and taxes and fees on imported and exported goods,
- ~~and to provide for the regime for the necessary control and regulation of the movement, storage and transit of such goods,~~
- ~~and to promote the suppression of fraud and smuggling, and~~
- to implement the international trade policy of the Royal Government of Cambodia.

B. The Customs and Excise Department is responsible for the administration and enforcement of the provisions of this Law. The Department operates under the direct supervision of the Minister of Economy and Finance.

Article 2: Customs territory and Free Zones

The Customs Territory includes the land territory including offshore islands, as well as territorial waters and airspace of the KINGDOM OF CAMBODIA. The Royal Government of Cambodia may establish ~~Export Processing Free Zones~~ within the Customs Territory which are excluded from all or part of customs procedures.

Article 3: Application

This Law must be applied

equally throughout the customs territory,

equally to all persons without regard to their status, and

without any immunity or dispensation to goods imported or exported by the Royal Government of Cambodia or on its behalf.

Article 4: Customs operations, Area of Special Authority for Customs Zone and Customs Offices

~~Customs operations are conducted throughout the Customs territory by the Customs and Excise Department.~~

A. Customs operations are conducted throughout the Customs territory, including an Area of Special Authority for Customs Zone along land and coastal borders, under conditions established in this law.

A.B. The Area of Special Authority for Customs Zone includes a coastal zone and a land zone:

1. The coastal zone extends from the coast to an outer limit located 20 km offshore.
2. The land zone extends;
 - at coastal borders between the coast and a line drawn 20 km inland from the seashore and from the banks of rivers, streams and canals flowing to the sea as far as the first customs house located upstream, as well as in a 20 km radius around said customs house; and
 - at land borders, between the limit of the customs territory and a line drawn 20 km in from that point.

~~B.C.~~ To facilitate the repression of fraud, the Minister of Economy and Finance may by Prakas

1. extend the Customs Zone up to 60 km at specific locations and for specified periods of time;
2. extend the Area of Special Authority for Customs Zone to include an area up to 3 km around Customs Offices that are not in the Customs Zone referred to in (A), (B), and (C) (1) of this Article.

~~C.~~

~~2. Any reference to "Customs" or "the Customs authorities" means duly authorized officials of the Customs and Excise department, including Customs Officers, and powers authorized by this Law may be delegated to Customs Officers.~~

~~E.D.~~ Customs formalities are carried out in Customs Offices unless otherwise stipulated by the Minister of Economy and Finance by Prakas.

~~F. The Minister may determine by Prakas the establishment, location, operations, functions and elimination of Customs Offices, are established and eliminated by the Minister by Prakas.~~

~~5. Hours of operation of Customs Offices are determined by the Director of Customs who must ensure appropriate identification is affixed to each Customs Office.~~

~~E.~~ The Minister of Economy and Finance may determine by Prakas the establishment, functions and elimination of Customs Offices.

~~F.~~ Hours of operation of Customs Offices are determined by the Director of Customs. This determination must be affixed to each Customs Office.

Article 5: ~~D~~definitions

Unless the context demands otherwise, for the purposes of this law:

~~Ad valorem~~ duty is duty calculated on the basis of value.

Specific Duty is duty based on the weight, volume, or quantity of goods.

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Customs Bonded Warehouse storage is a building, place or an area that meets certain requirements established by Customs that is used to store, to process, to display, ~~and/or~~ to provide for sale, or for other related purposes, goods for which the import duties are deferred.

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Smuggling[definition from UNDP draft?] is the illegal import or export of goods outside customs houses, as well as all violations of provisions of law and regulations relating to the holding and transport of goods within the Customs Territory.

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Country of origin is the country in which goods have been produced or manufactured according to the criteria laid down for the purposes of application of the Customs Tariff, of quantitative restrictions or of any other matters related to trade

Conveyance ~~(also~~ " is any vessel, aircraft or vehicle, or other means, used to transport persons or goods.

Customs ~~(or Customs administration~~ is the Customs and Excise Department of the Ministry of Economy and Finance including duly authorized Customs officers ~~which is~~ responsible for the administration of the Customs law and the collection of duties and taxes and fees and which also has the responsibility for the application of other laws and regulations relating to the importation, exportation, movement and storage of goods.

Customs clearing agent/broker is a person authorized ~~who to~~ carry on the business of arranging for the customs clearance of goods and who deals directly with Customs for and on behalf of another person.

Customs clearance is the accomplishment of the Customs formalities necessary to allow goods to enter into home use, to be exported or placed under another Customs procedure.

Customs clearance area is an area fully supervised by the Customs and Excise Department.

Customs control is the procedures imposed by Customs on the transport, movement and storage of all imported and exported goods, or goods about to be exported, up until the time of.

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Customs declaration is a statement made for the purpose of importation or exportation in the form and manner as prescribed under the provisions of this Law.

Customs examination is the physical inspection of goods or documents by Customs to satisfy themselves that the nature, origin, condition, quantity and value of the goods are in accordance with the Customs declaration.

Customs formalities is all the operations which must be carried out by the persons concerned and by Customs in order to comply with this Law or other laws enforced or administered by Customs.

Customs manufacturing bonded ~~manufacturing regime~~ warehouse is a special procedure factory under customs control for dealing with imported goods suspended from duties and taxes to be used in manufacturing processes.

Customs office is the customs administrative unit competent for the performance of Customs formalities and the premises or other areas approved for that purpose under the provisions of this Law.

Customs officer is a person duly authorized to administer or enforce this Law.

~~Customs operations~~ is the activities carried out by Customs officers to administer and enforce this law;

Declarant is a natural or legal person who makes a Customs declaration or in whose name a declaration is made.

Documents is documents in any form, whether or not signed or initialed or otherwise authenticated by the maker, and includes:

- Any form of writing on material;
- Information recorded, transmitted, or stored by means of tape recorder, computer, or other device, and material derived from such information;
- A label or other marking or writing that identifies any thing to which it is attached or of which it forms part of;
- A book, map, plan, graph, or drawing;
- A photograph, film, negative, tape, or other device in which visual images are embodied so as to be capable of being reproduced.

Free Zones are areas established by the Royal Government where imported goods are not subject to duties and taxes under certain conditions.

Home use is the free circulation of imported goods within the Customs territory after release by Customs.

Release

is authorization by Customs to remove goods from customs control after completion of customs formalities.

Security is any financial guarantee, bond or other financial instrument used to secure the eventual payment of duties, taxes, fees under this law.

Specially designated goods are goods so designated by Prakas by the Minister of Economy and Finance under the provisions of Article 9 (B) of this Law.

Legal route is any road, railway, waterway and any other route that Customs directs must be used for the importation, exportation, and transportation under customs control, of goods.

Temporary admission is the Customs procedures under which certain goods can be brought into the customs territory conditionally relieved totally or partially from payment of import duties and taxes. Such goods ~~must be~~ are imported for a specific purpose and ~~must be~~ are intended for re-exportation within a specified period and

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without having undergone any change except normal depreciation due to the use made of them.

Transaction value... [Chea Hak to provide]

~~#~~Transit is the Customs procedure under which goods are transported under Customs control from one Customs office to another.

~~#~~Transshipment is the Customs procedure under which goods are transferred under Customs control from the importing means of transport to the exporting means of transport within the area of one Customs office that is the office of both importation and exportation.

Person is an natural or legal person.

CHAPTER II: GENERAL PROVISIONS

Article 6: Customs tariff

~~1~~A. All imported and exported goods are subject to the provisions of this law.

~~2~~B. Goods entering or leaving the customs territory are subject, as applicable, to import duties and taxes or export duties and taxes as specified in the Customs Tariff. The establishment of the Customs Tariff and its application shall be prescribed by *Anukret*.

~~C.~~ In matters concerning the national interest, including emergencies, the Royal Government may order the total or partial suspension of duties and taxes on goods essential to the needs of the population, or suspend the import or export of certain goods.

Article 7: Preferential treatment

Preferential tariffs may be granted pursuant to international commitments, agreements, treaties or conventions entered into by the Royal Government of Cambodia.

Such preferential tariffs and their application are established by *Anukret*.

Article 8: Special measures

~~1~~The Royal Government may, by *anukret*:

~~a~~A. impose surtaxes of up to twice the duties recorded in the customs tariff or equal to the value of the goods, on some or all goods that originate in countries that impose surtaxes or particularly high duties on Cambodian goods;

B. impose equivalent surtaxes on some or all goods originating in countries that treat Cambodian goods less favorably than the goods of other countries;

C. In the cases provided in (A) and (B) above, ~~re-~~impose an ad valorem and /or specific duty on some or all goods that are exempt under the customs tariff;

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D. take all emergency measures within its competence and appropriate to the circumstances in cases where the measures adopted by foreign countries are such that they hinder Cambodian trade.

Article 9: Prohibited, restricted and specially designated goods

~~1~~.A. The Royal Government may by *anukret* prohibit or restrict subject to conditions, the import or export of certain goods, for any of the following purposes:

~~a~~. National security;

~~b~~. Public order and standards of decency and morality;

~~c~~. The prevention of smuggling;

~~d~~. The protection of human, animal or plant life or health;

~~e~~. The protection of national treasures of artistic, historic or archaeological value;

~~f~~. The conservation of natural resources;

~~g~~. The fulfillment of obligations under the Charter of the United Nations;

~~h~~. The implementation of any treaty, agreement or convention with any country;

~~i~~. The compliance with the provisions of any ~~law~~ legislation of The Kingdom of Cambodia currently in force; and

~~j~~. Any other purpose considered necessary in the public interest.

~~2~~.B. To combat smuggling and fraud, the Minister of Economy and Finance may by Prakas identify certain sensitive or highly-taxed goods as specially designated goods for the purposes of this Law, and may impose additional controls and restrictions on their ~~import, export, transport,~~ circulation and possession. ~~Any penalties or fines set out in Articles ___ to ___ of this Law are doubled if they involve specially designated goods.~~

CHAPTER III: IMPORT AND EXPORT

Section 1 – Imports

Article 10: Goods to be reported

~~1~~.A. All goods that are imported shall be reported at the nearest customs office through the legal route.

~~2.A.~~ The Minister of Economy and Finance may by *Prakas* regulate the time, manner, documentation requirements, circumstances and exceptions with respect to the reporting of imported goods.

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Article 11: Obligation to report

~~1.A.~~ Goods shall be reported

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~~a.1.~~ in the case of goods in the actual possession of a person arriving in Cambodia, or that form part of personal baggage, by that person;

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~~b.2.~~ in the case of goods imported by courier or as mail, by the person who exported the goods to Cambodia;

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~~e.3.~~ in the case of goods, other than goods referred to in paragraphs (1) and (2), on board a conveyance arriving in Cambodia, by the person in charge of the conveyance, including ~~Royal Cambodian Navy Commanders~~ military conveyances; and

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~~d.4.~~ in any other case, by the person on behalf of whom the goods are imported.

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~~2.B.~~ Every person reporting goods under this Article shall:

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~~a.1.~~ answer truthfully any question asked by a Customs officer with respect to the goods; and

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2. where a Customs officer so requests, make the goods available for inspection by Customs in the manner prescribed by the Director of Customs.

Article 12: Emergencies

No person shall unload goods from a conveyance arriving in Cambodia until the goods have been reported in accordance with this Law except where the safety of the conveyance, or the goods or persons on the conveyance ~~or third parties may be~~ is threatened by emergency conditions as ~~may be~~ prescribed by the Minister of Economy and Finance by *Prakas*.

Article 13: Movement, storage and transportation

Customs may authorize the removal of ~~The~~ goods referred to in Article 10 ~~may be removed~~ from the Customs clearance area prior to the payment of duties and taxes and fees, under Customs control and after the fulfillment of Customs formalities, for the purposes of:

- temporary storage;
- bonded storage; or
- further transportation within or through the Customs territory, to a destination and along routing and within time limits approved by Customs,

including transit, transshipment or transportation to or from or between customs offices, and customs temporary storage facilities and Customs bonded warehouses.

Article 14: Release of goods

~~1.A.~~ The goods referred to in Article ~~109~~ may be released by Customs after fulfillment of customs formalities, including the payment of any duties or taxes and/or provision of security, for such goods to be:

~~a.~~ imported for home use; ~~or~~

~~b.~~ temporarily admitted; ~~or~~

- used under duty-suspended conditions.

B. The Minister of Economy and Finance may prescribe by Prakas conditions under which goods may be released prior to the payment of duties and taxes and fees.

Article 15: Temporary admission

~~1.A.~~ Imported goods may be released by Customs ~~as for~~ temporary admission if at the time of importation it can be demonstrated that these goods will be re-exported.

~~2.B.~~ Temporarily admitted goods shall be under customs control until such time as the conditions of their temporary admission have been fulfilled~~their re-exportation.~~

~~3.C.~~ The Minister of Economy and Finance may prescribe by Prakas provisions governing the temporary admission of goods, including the duration of the temporary admission, fees and other controls or restrictions.

Section 2- Exports

Article 16: Goods to be reported

~~1.A.~~ All goods to be exported must be reported at a customs office or other location as determined by the Director of Customs.

~~2.B.~~ The Minister of Economy and Finance may regulate by Prakas the time, manner, documentation requirements, circumstances and exceptions with respect to the reporting, movement, storage and transportation of goods to be exported.

C. Every person reporting goods under this Article shall:

1. answer truthfully any question asked by a Customs officer with respect to the goods; and

1.2. where a Customs officer so requests, make the goods available for inspection by Customs in the manner prescribed by the Director of Customs.

Article 17: *Temporary export of goods.*

Prakas issued by the Minister of Economy and Finance establish the conditions under which Customs may authorize the temporary export of goods shipped outside the customs territory to be repaired, added to, or manufactured there or for additional work, as well the methods whereby these goods are subject to payment of import duties and taxes when they are re-imported.

CHAPTER IV: TARIFF CLASSIFICATION, ORIGIN AND CUSTOMS VALUE

Article 18: *Determination and re-determination of tariff classification, origin and value for duty*

A. Customs ~~shall determine, and may re-determine following audit,~~ tariff classification, origin and customs value of imported or exported goods for the assessment of duties and taxes ~~duty for imported or exported goods.~~

B. Customs may re-determine the tariff classification, origin and value of imported and exported goods following audit, inspection, or re-examination within three years of registration of the customs declaration. A notice of re-determination shall be issued to the importer or exporter or representative demanding payment of any outstanding duty and taxes, other fees and penalties owing.

A-C. Where an audit, inspection or re-examination undertaken under the provisions of (B) above finds any irregularity or indications of fraudulent activity, the re-determination notice may be issued up to 10 years from the date of the registration of the customs declaration.

D. Importers or exporters, or others authorized to act on their behalf, may make a voluntary declaration to Customs of additional duties and taxes or other fees owing on imported or exported goods without penalty or fines if such declaration is made within one year of the date the original declaration is registered.

B-E. Upon written request, the importer or exporter or others authorized to act on their behalf, shall be provided with a written explanation from customs as to how the customs value of imported or exported goods was determined, or re-determined under (A) and (B) above.

Article 19: *Classification of goods and calculation of duty and taxes*

- A. For the purposes of import and export, goods are classified and duty and tax calculated in accordance with the Customs Tariff, unless otherwise exempted by this Law or any other Law of the Kingdom of Cambodia.
- B. The Minister of Economy and Finance may prescribe by *Prakas* provisions in respect of the classification of goods.

Article 20: *Origin, proof of origin, country of provenance*

- ~~1~~A. For imports, applicable duties and taxes are collected according to the origin of the goods.
- ~~2~~B. The origin of natural products is the country where they were extracted from the soil or harvested.
- ~~3~~C. Goods manufactured in a single country, with no contribution from materials from another country, originate in the country where they are manufactured.
- ~~4~~D. The Minister of Economy and Finance may by *Prakas* establish the rules to be followed in determining the origin of goods produced in one country that use products harvested, extracted from the soil, or manufactured in another country.
- ~~5~~E. Imported goods benefit from the favorable treatment assigned to their origin only if the origin and direct transport of the goods from the country of origin to the importing country is properly demonstrated. *Prakas* issued by the Minister of Economy and Finance establish the conditions under which proof of origin must be submitted and cases where it is not required.
- ~~6~~F. The country of provenance is the country from which the goods were sent directly to the customs territory.

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Article 21: *Value of imported goods*

- A. The Customs value of imported goods shall be the transaction value. That is, the price actually paid or payable for goods when sold for export to Cambodia, subject to the provisions contained in *Prakas* issued under (H) below determined in accordance with the provisions of Annex 1 to this Law. The sequential methods of customs valuation are as follows, in accordance with the provisions of Annex 1 to this
- B. If the Customs value of the imported goods cannot be determined under the provision of (A) above, the customs value shall be the transaction value of identical goods.
- C. If the customs value of imported goods cannot be determined under the provisions of (A) and (B) above, the Customs value shall be the transaction value of similar goods.

- D. If the customs value of imported goods cannot be determined under the provisions of (A), (B), and (C) above, the customs value of the imported goods shall be based on a deductive method.
- E. If the customs value of imported goods cannot be determined under the provisions of (A), (B), (C), and (D) above, the customs value of imported goods shall be based on a computed method.
- F. The order of application of (D) and (E) above may be reversed at the request of the importer.
- G. If the customs value of the imported goods cannot be based on the provisions of (A) to (E) above inclusive, the customs value shall be determined by using reasonable means consistent with the principles and the provisions as referred to in (A) to (E) on the basis of available data in the Customs Territory subject to certain limitations.
- H. All matters related to the determination of Customs value are regulated by Prakas of the Minister of Economy and Finance.

Article 22: Value of exported goods

- 1.A. The customs value of exported goods shall be the value of the goods at the point of exit.
- 2.B. This value is determined by adding to the price of the goods expenses for transport as well as all expenses needed to carry out the export operation up to the frontier, but excluding export taxes payable upon exit, domestic taxes and similar levies for which the exporter has been given a receipt.

Article 23: Exchange rate

- A. When the customs value is expressed in a currency other than that of the Kingdom of Cambodia, the exchange rate to be applied is the rate published by Customs.
- B. The exchange rate to be applied is the exchange rate for the date on which the customs declaration is registered.
- C. The customs value determined under the above conditions is declared in riels.

Article 24: Disputes

- 1.A. An importer or exporter may file an objection to any Customs determination or re-determination of tariff classification, origin, or value under the provisions of Article 18 (A) and (B) above, admissibility or other matter affecting the importation or exportation or to the duties or taxes applicable, in writing to the Director of Customs within 30 days of the declarant being informed of such determination or re-determination.

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2.B. The competent Customs officer may allow the release of the goods in question* if appropriate security has been provided.

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3.C. The Director of Customs shall make the decision on the objection, referred to* in (A) above, within 60 days after the objection is received; otherwise, the objection shall be deemed as accepted and the security returned as appropriate.

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4.D. Any person who objects to ~~any decision referred to in (1), including any~~* decisions on objections made ~~to~~ by the Director of Customs under (A) above may file a written appeal to a Customs Tariff Committee.

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E. The establishment and operation of the Customs Tariff Committee shall be determined by *anukret*.

F. An importer or exporter has the right to appeal to the competent court against any decision of the Customs Tariff Committee within a period of thirty days after receiving notification of that decision.

CHAPTER V: EXEMPTIONS, RELIEF AND REFUND OF DUTIES AND TAXES

Article 25: *Transit or transshipment*

Import duties and taxes shall not be imposed on goods brought into the Customs Territory for transit or transshipment.

Article 26: *Absolute exemption of imported goods*

1.A. Exemption of Import Duties and Taxes shall be granted with respect to the* import of:

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~~a.1.~~ goods for or by foreign diplomatic or consular missions, international* organizations and agencies of technical co-operation of other governments, for use in the exercise of their official function and when so certified by the Head of ~~the~~ Mission;

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2. goods for the personal use of the official personnel of missions and organizations as stated in (1) above. These exemptions and those granted in (1) above shall be based on the principle of reciprocity between governments concerned;

3. goods originating in the Customs Territory or that have been previously duty and tax paid, that are returning from abroad, that have not been enhanced in value;

~~d.4.~~ goods exempted under the provisions of any other Law of the Kingdom of* Cambodia;

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~~e.5.g(to be determined scientific books)~~ goods donated for charity; goods for* research and scientific purposes, ~~weapons, ammunition, spare parts and~~

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~~other~~ samples of no commercial value; coffins containing human remains; ~~;~~
other goods as determined by Prakas of the Minister of Economy and Finance.

~~2.B.~~ Goods imported exempt from duty under (A) above may not be sold, transferred, diverted to non-authorized uses, or disposed of without the prior authorization of Customs. ~~The entity entitled to the exemption shall be liable for payment of any duty and taxes owing on such goods.~~

C. Goods up to a certain value or quantity, as determined by *Prakas* of the Minister of Economy and Finance, brought by passengers, crews of conveyances, and border crossers are also ~~be~~ exempt from import duties and taxes.

D. The Minister of Economy and Finance may by *Prakas* regulate provisions related to the goods referred to in (A) above, including their sale, diversion, transfer and disposal under (B) above.

Article 27: Granting of relief or exemption

~~1.A.~~ Partial ~~e~~Exemption or relief of import duties and taxes may be granted with respect to the import of:

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~~a.1.~~ Goods and materials so specified under any other Law of the Kingdom of Cambodia;

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~~b.2.~~ ~~(to be determined — equipment to prevent environmental pollution, s~~Seeds and breeding animals for agriculture, ~~marine products caught by licensed hauling vessels;~~ goods expected to undergo repair, processing or testing; ~~goods re-imported in the same state, goods naturally damaged or altered, human therapeutic substances;~~ goods imported by the Government for public purposes, goods for temporary admission, ~~ete.)~~other goods determined by Prakas of the Minister of Economy and Finance.

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~~2.B.~~ Goods imported ~~exempt from duty under the provisions of 1.this article above~~ may not be sold, transferred, diverted to other non-authorized uses, or disposed of without the prior authorization of the Customs authorities. ~~The entity entitled to the exemption shall be liable for payment of any duty and taxes owing on such goods.~~

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~~3.C.~~ The Minister of Economy and Finance may by *Prakas* regulate provisions related to the goods referred to in A. above, including their sale, diversion transfer and disposal under B. above.

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Article 28: Refund of import duties and taxes

~~1.A.~~ Customs may provide a refund in whole or in part for import and export duties and taxes paid for:

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1. Any excess payment, including due to administrative error;

2. Imported goods that, before release from customs, have been found short, defective, of inferior quality, or that are re-exported or destroyed under Customs' supervision;
3. Excess payment resulting from a decision of the competent appeal authority or of the court as described in Article 24.†

2-B. The Minister of Economy and Finance may by Prakas further regulate provisions* with respect to refunds as described above including time limits, and may grant refunds for reasons other than those stated above.

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CHAPTER VI: CUSTOMS DECLARATION AND LIABILITY FOR DUTIES AND TAXES

Article 29: *Requirement for Customs declaration*

All imported or exported goods, whether or not exempt from duties and taxes, must be the subject of a Customs declaration.

Article 30: *Customs Declaration and Customs documentation*

The Minister of Economy and Finance may, by Prakas, determine provisions and procedures concerning;

- a. the form, contents and validity of the Customs Declaration and Customs* documentation,
- b. lodgment registration and verification of the Customs Declaration,
- c. amendment, additions to and cancellation of the Customs declaration and* Customs documentation, and
- d. distribution and administration of the Customs Declaration and Customs* documentation.

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Article 31: *Obligation to declare*

Imported or exported goods must be declared by their owners or by persons authorized to act on the owners' behalf.

Article 32: *Customs ~~clearing agent~~brokers*

1-A. The Minister of Economy and Finance may by Prakas grant or withdraw* authorization to a person as a customs ~~clearing agent~~broker, and may establish by ~~Prakas~~ the locations for which the authorization is valid, and any conditions or qualifications for such authorization.

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B. The Minister of Economy and Finance may establish a Committee to advise on such authorizations and other matters related to customs ~~clearing agents~~brokers.

- C. Authorization as a customs ~~clearing agent~~broker is granted on a personal basis. When a company is involved, authorization must be obtained for the company and for anyone empowered to represent it.
- D. In no case may the denial or temporary or permanent withdrawal of authorization to handle customs clearance create entitlement to compensation or damages.
- E. Authorized customs ~~clearing brokers~~ may be required to provide security in relation to their operations in such form and amount as specified by the Minister of Economy and Finance by Prakas

Article 33: *Temporary ~~authority for~~authorization for customs ~~clearance~~brokers.*

- A. Any person may, without exercising the profession of customs broker, make customs declarations for their own business.
- B. Such persons must obtain authorization to handle clearance for others. This authorization may be provided by the Minister of Economy and Finance on a temporary and revocable basis for operations involving specific goods.

Article 34: *Calculation of duties and taxes*

- A. Import duties and taxes shall be calculated on the basis of the customs ~~effective~~ tariff and tax rate in effect on the date the customs declaration is registered.
- B. Duty and taxes shall be calculated on the basis of *ad valorem* and/or specific rates.

Article 35: *Liability for import duties and taxes*

- ~~1.~~A. The importer or owner of the goods shall be liable for import duties and taxes.
- ~~2.~~B. In cases where the importer or owner cannot be located, the customs ~~clearing~~ ~~agent~~broker shall be liable for the import duties and taxes.
- ~~3.~~C. In the case of ~~†~~Temporary or ~~‡~~Bonded ~~§~~Storage, the operator of the Temporary Storage facility or the Customs Bonded Warehouse is liable for import duties and taxes and other fees, without prejudice to penalties incurred, until such time as the goods have been, with the authorization of Customs, either destroyed, ~~unintentionally~~ cleared for re-export temporary import or import for home use, or moved to another authorized storage facility.
- ~~4.~~D. In the case of Articles 26 and 27 above, where conditions of exemption or relief can no longer be fulfilled, the responsibility for import duties and taxes belongs to the person who obtained the exemption or relief or, if that person cannot be located, the person who controls the goods concerned.
- ~~5.~~E. Any person, including operators of conveyances, who ~~assumes controls over~~ imported goods at-at the point-time of entry of the conveyance into the Customs territory of the means of transport to the Customs territory shall be liable for the import duties and taxes of the goods concerned.

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Article 36: Liability for export duties and taxes

1.A. The exporter or owner shall be liable for export duties and taxes.

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2.B. In cases where the exporter or owner cannot be located, the customs clearing agent/broker shall be liable for the export duties and taxes.

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3.C. In the case of temporary or bonded storage, the operator of the Temporary or Bonded storage is liable for export duties and taxes.

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CHAPTER VII: PAYMENT OF IMPORT AND EXPORT DUTIES AND TAXES, COLLECTION OF DEBTS, AND SECURITY

Article 37: Payment of import and export duties and taxes

1.A. Import and export duties and taxes, and any authorized fees, fines, interest or penalties, payable by virtue of this or any other Law of the Kingdom of Cambodia shall be paid in accordance with law, or as at a place, in the manner and within the time limits at a place, in the manner, and within time limits prescribed by Prakas of the Minister of Economy and Finance in Prakas.

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2.B. Duties and taxes payable for each article in the same declaration are rounded off to the higher riel, in increments of one hundred (100).

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3. Duties and taxes resulting from a settlement with the Customs authorities as set out in Article ___ of this Law below are payable in cash or other method as stipulated by the Minister in Prakas

4.C. Receipts are provided for all payments made.

Article 38: Interest

Any debts owed by virtue of this Law that have not been paid in whole or in part by the prescribed time limit shall be subject to compound interest at a rate to be prescribed by the Minister of Economy and Finance by Prakas.

Article 39: Privileged claim

The Government of Cambodia Customs has privileged claim against goods and property owned by a debtor in respect of debts arising from the provisions of this Law.

Article 40: Collection and write-offs

Collection procedures and write-offs for bad/uncollectible debts will be based on prevailing government regulations and laws.

Article 41: Forms of security

Security required by this law may be used once or continuously and may be in the form of cash, ~~bond notes~~ bank guarantees or other such instruments ~~in Prakas~~. The Minister of Economy and Finance may by Prakas further regulate provisions related to security.

Article 42: *Security guarantees for export or re-export*

The Director of Customs may make the release of security guarantees for the export or re-export of certain goods contingent upon the provision of ~~proof~~ ~~evidence~~ ~~satisfactory~~ ~~to~~ ~~Customs~~ establishing that said goods have been actually exported or re-exported.

**CHAPTER VIII: ~~TEMPORARY STORAGE, AND CUSTOMS BONDED~~
~~SRORAGE~~ ~~WAREHOUSES~~**

Article 43: *Temporary Storage of goods*

~~1.A.~~ Temporary storage refers to the storage of goods under Customs control in approved premises pending the completion of Customs formalities.

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~~2.B.~~ Licenses for the operation of a temporary storage facility are approved by the Minister of Economy and Finance. Such licenses ~~by Prakas~~ will determine determine conditions for owners and operators including location, construction, layout of premises, and procedures for the handling and control of goods.

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~~3.C.~~ All costs related to temporary storage facilities, including maintenance and repair, are to be borne by owners or operators.

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~~D.~~ Temporary storage facility owners or operators are responsible for providing appropriate facilities for customs officers to carry out their responsibilities under this Law, free of charge. ~~Operators of temporary storage facilities must assume the guaranteed commitment to re-export the goods or, if the goods are not prohibited, to pay the duties and taxes in effect at the time they are released by Customs.~~

~~5.E.~~ The Minister of Economy and Finance shall by Prakas regulate all matters concerning temporary storage, including procedures, security guarantees, information requirements, storage time limits and penalties related to exceeding the time limits, and the designation of goods that may be admitted.

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Article 44: *Types of customs bonded warehouses, licensing, obligations of operators*

~~1.A.~~ Customs bonded warehouses are facilities where goods may be placed for a specified period of time, subject to customs control.

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~~2.B.~~ Placing goods in customs bonded warehouses suspends the application of the duties, taxes and restrictions for which they are liable.

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~~3.C.~~ There are three categories of customs bonded warehouses:

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1. Public warehouses, which are licensed by the Minister of Economy and Finance, may be operated by any agency of the Royal Government of

Cambodia, or by any person. Public warehouses are open to any person who has the right to store the goods in the warehouse.

2. Private warehouses, which are licensed by the Director of Customs, are to be used solely by specified persons to store goods for their own specific uses, including operators of duty free shops.
3. Special warehouses, which are licensed by the Director of Customs, are a type of warehouse for goods which may present a hazard, or could affect the quality of other goods, or could require special storage facilities;

4.D. Licenses for customs bonded warehouses are granted by the Minister of Economy and Finance. Such licenses will determine conditions for owners and operators including location, construction, layout of premises, and procedures for the control and handling of goods.

5.E. All costs related to warehouses, including maintenance and repair, are to be borne by owners or operators.

6.F. Warehouse owners or operators are responsible for providing appropriate facilities, free of charge, for customs officers, sufficient for them to discharge their responsibilities under this Law.

G. The Minister of Economy and Finance shall by Prakas regulate all matters concerning customs bonded warehouses, including licensing, -procedures related to movement and control, security guarantees, information requirements, and designation of goods that may not be admitted to each category of warehouse,; ~~shall be regulated by the Minister by Prakas.~~

Article 455: Liability for duties and taxes

1.A. The customs bonded warehouse operator (~~individual or legal entity in whose name the warehouse license is authorized~~) must pay the duties and taxes on goods placed in the warehouse in the event that quantity and quality differ from the customs warehouse entry declaration, without prejudice to penalties incurred. If the goods are prohibited for import, the warehouse operator must also pay a sum equal to their value without prejudice to penalties incurred.

B. However, the Director of Customs may, unless approved for export, authorize either the destruction of imported goods that are spoiled in Customs warehouses provided that the duties and taxes relating to what remains from this destruction are paid; or their taxation based on the condition in which they are presented to Customs.

3.C. When it is proven that the loss of goods placed in Customs bonded warehouses is due to a case of *force majeure* or causes relating to the nature of the goods, the warehouse operator is exempt from having to pay duties and taxes or, if the goods are prohibited, from payment of the sum representing the value of these goods.

Article 466: Time limits for storage in Customs bonded warehouses

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1.A. Goods may remain in Customs bonded warehouses for up to two years.

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2.B. Upon expiration of the time limits, goods must be immediately removed from the warehouses with the authorization of Customs. Otherwise, Customs authorities will issue a notification to request the courts to issue a summons to the warehouse operator requiring the removal of the goods. If the demand remains without effect for a month, the goods are considered unclaimed goods in accordance with Article 54 of this Law. Customs may collect duty and tax owing from security placed by the owner or operator of the warehouse, or the goods may be sold at public auction in accordance with Article 55 of this Law.

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C. As an exception, and provided that the goods are in good condition, the time limits established by (A) above may be extended by up to twelve months by Customs upon the request of the warehouse operator.

Article 4747: Authority of customs officers

Customs officers may carry out all necessary checks and inventories of warehoused goods. ~~they deem useful~~ Operators must make goods available for such inspections.

Article 4848: Applicable duties and taxes

Duties and taxes applicable are those in effect at on the time date the customs declaration to remove the ~~goods are removed from the~~ Customs bonded warehouse storage is registered.

Article 4949: In bond manufacturing

1.A. In certain circumstances ~~such as manufacturing for export or the onward processing of raw materials~~, the Minister of Economy and Finance may authorize the establishment of a customs manufacturing bonded warehouses, which have as their purpose the processing or manufacture of goods, controlled in bond regime for imported goods.

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2.B. ~~Goods accepted through this in bond~~ Goods accepted in customs manufacturing bonded warehouses regime are, unless otherwise provided by law, exempt from import duties and taxes.

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4.C. Where goods are released for home use from ~~the a customs manufacturing bonded warehouse in bond establishments~~, the duties and taxes suspended under (B) above are assessed, based on the Customs Tariff and the rate of duties and taxes applicable as of the date of the registration of the customs declaration for admission of the goods to the in bond warehouse establishment

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5.D. The Minister of Economy and Finance may establish by Prakas all matters concerning procedures and conditions related to the customs manufacturing bonded warehouses in bond manufacturing regime.

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Article 50:

- A. Operations that carry out the processing or refining of crude petroleum or bituminous minerals to obtain petroleum products must be placed under the ~~in-customs~~ manufacturing bonded warehouse manufacturing regime.
- B. The suspension from duties and taxes as prescribed in Article 49 (B) of this Law may be provided for the import of crude petroleum or bituminous minerals for processing for export.
- C. Conditions for the implementation of the provisions of (A) and (B) above are fixed by prakas of the Minister of Economy and Finance.

CHAPTER IX: DOCUMENTS, BOOKS, RECORDS AND OTHER INFORMATION ON IMPORTS AND EXPORTS

Article ~~50~~51: *Obligation to keep books, records and other information*

- ~~1~~A. All persons engaged or involved in the commercial or institutional import or export of goods ~~are required to~~ must keep or cause to be kept accurate documents books, records and other information, including information in electronic format, pertaining to import and export.
- B. Included in (A) above are importers, exporters, customs ~~clearing agents~~ brokers, operators of temporary storage facilities and customs bonded warehouses, transportation operators, and others concerned parties.
- C. The documents, books, records and other information referred to in (A) above shall be kept for a period of ten years at business premises in Cambodia

Article ~~51~~52: *Obligation to make books and records available to customs*

- ~~1~~A. At the request of Customs, persons referred to in Article ~~50~~51(A) of this Law ~~above~~ are obliged to make available for examination documents, books, records and other information concerning imports and exports ~~for examination~~.
- ~~2~~B. Where the persons referred to in (A) above are not in place, their representatives are obliged to make available the documents, books, records and other information.
- C. As and when required by a customs officer, every such person referred to in (A) or (B) above must:
 1. Provide copies of the documents, books and records and other information as required;
 - ~~1~~2. Answer any questions relevant to matters arising under this Law asked of them by a customs officer;
 3. Where information is recorded or stored by means of an electronic or other device, operate the device, or cause it to be operated, to make the information available to the customs officer.

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Article 53: *Record-keeping requirements may be regulated by the Minister of Economy and Finance*

The specific requirements for documents, books, records and other information to be retained under the provisions of Article 51 above may be ~~further regulated~~ established by the Minister of Economy and Finance by Prakas.

CHAPTER X: UNCLAIMED GOODS

Article 54: *Unclaimed goods, including abandoned goods*

~~1.~~A. Unclaimed goods are:

~~a.~~1. goods stored in temporary storage facilities or customs bonded warehouses that have exceeded the period allowed under this law ~~or regulations;~~

~~b.~~2. goods sent by mail which have been refused by the addressee or for which an addressee cannot be found and that cannot be returned to the sender; ~~or~~

~~3.~~ ~~or,~~ goods and means of transport ~~found that have been imported but not released that the owner abandons to the state~~ in writing, or for which the owner cannot be found.

~~2.~~B. Where the owner of the goods has been determined, Customs will immediately notify owners of unclaimed goods that such goods will be forfeit and sold at public auction in accordance with the provisions of Article 55 of this Law, if not settled ~~claimed~~ within a period of 60 days from the date the notification was issued.

~~3.~~C. In the case where no owner can be found, a public notice shall be made in a time and manner determined by the Minister-Director of Customs for a period of at least twenty four hours to notify owners. Owners have 60 days from the day date of such notice to make a claim for their goods. If such period of time is exceeded, the goods will be ~~forfeit and~~ sold at public auction in accordance with the provisions of Article 55 of this Law.

~~4.~~D. Within the period referred to in (B) and (C) above, unclaimed goods may be ~~imported for home use, exported or re-exported~~ released from Customs, provided appropriate duties and taxes and other fees and penalties have been paid, and any conditions of restricted use met.

~~5.~~E. The Minister of Economy and Finance may determine by Prakas cases ~~where in certain cases, due to their characteristics or low value,~~ unclaimed goods may be destroyed ~~immediately~~ or auctioned ~~immediately~~, or otherwise disposed of or used for other purposes in the public interest. Written notification is to be given to the owners, or a public notice posted if no owner can be located.

Article 55: *Public auction of unclaimed goods*

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~~1.A. The sale of Unclaimed goods shall be disposed of through by public auctions.~~

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~~B. The Minister-Director of Customs may assign a minimum price for goods to be auctioned. If the, and if the bidding price is lower than the minimum price goods are not sold at this price, the Director may assign a new minimum price, or the goods may be destroyed-disposed of or used for other purposes in the public interest as approved by the Minister of Economy and Finance, as determined by the Minister~~

~~C. Proceeds of the auction shall be applied to unpaid duties and taxes, other fees or charges and administrative costs of conducting the auction. Any remaining balance is available to be claimed by the owner within 90 days-six months of notification by customs, otherwise the proceeds become the property of the State. Such notification, and must be made within seven days of-after the auction.~~

CHAPTER XI: POWERS AND OBLIGATIONS

Section 1 – General Provisions

Article 56: Power of Customs officers

With respect to goods being imported or exported, customs officers may:

~~a. inspect the goods and open or cause to be opened any package or container of goods and take samples of these goods in reasonable amounts;~~

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~~b. stop, board, and inspect any conveyance and direct that the conveyance be removed to a customs office or other suitable place for any such examination;~~

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~~c. search persons arriving in Cambodia or about to leave Cambodia if the officer suspects on reasonable grounds that the person has secreted on or about his person anything that would afford evidence of a contravention of this Law or any other Law of the Kingdom of Cambodia.~~

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~~2. The costs of examinations referred to in 1.a and 1.b above are borne by the owner of the goods.~~

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~~3. Procedures related to the conduct of such inspections and searches are further regulated through Prakas of the Minister.~~

~~A. Customs officers exercise powers established under this law in the Area of Special Authority of Customs Zone. In the case of goods designated under Article 9 (B) of this Law, the powers of customs officers are exercised anywhere in the Customs Territory.~~

~~B. With respect to goods being imported or exported, customs officers have the power to:~~

~~1. Inspect goods and open or cause to be opened any package or container of goods and take reasonable amounts of samples of those goods for examination or testing;~~

- A. In respect of the prevention and suppression of customs offences, sworn customs officers have all the powers of judicial police officers.
- B. Customs officers must take an oath before the Court.
- C. The taking of the oath is recorded without charge in the Office of the Clerk of the Court. It is transcribed without charge on the employment commissions referred to in paragraph (D) below.
- D. In the exercise of their duties, customs officers must, unless otherwise directed by the Director of Customs, wear a uniform, badge and identification. They must also carry their employment commission indicating that they have taken the oath, and are required to show it on first demand.

Article ~~58~~59: Officers' right to bear arms

- A. ~~A~~Customs officers ~~on duty~~ shall have the right to carry arms, and to use arms them in carrying out their duties in the following circumstances:
 - ~~For legitimate defence, or~~When they cannot otherwise impede the passage of a group of people suspected to be engaged in illegal activities who do not stop in response to warnings addressed to them, or
 - ~~When they cannot otherwise halt conveyances involved in smuggling or other illegal activities whose operators do not obey the order to stop, or~~
 - ~~For other reasons established by other Laws or regulations of the Kingdom of Cambodia.~~For other reasons established by other Laws of the Kingdom of Cambodia~~A Customs officers on duty shall have the right to carry and use bear arms, and to use such arms for~~The right to carry and use arms shall be in accordance with the Law and regulations.Any other use of firearms by customs officers in the execution of their duties, and the conditions of such usage, are to be established by Prakas of the Minister

Article ~~59~~60: Powers of detention

- A. Customs officers ~~qualified as Judicial police~~may arrest shall have the right to detain for up to 48 hours an offender in order to file a report on the case to the competent court.
- B. The powers granted under (A) above are exercised in accordance with the Law on Criminal Procedures.~~Code~~persons whom they have reasonable grounds to suspect have committed or are in the act of committing an offence under this Law or any other Law regulating the import or export of goods which customs has authority to enforce.
- C. The Minister of Economy and Finance shall establish by Prakas the offences in regard to which officers may use powers of detention, and the conditions and procedures for the use of this power.

Article ~~61~~61: Prohibition on obstructing customs officers

All persons are prohibited from obstructing or impeding Customs officers in the legitimate exercise of their powers under this law or any other laws of the Kingdom of Cambodia.

Article ~~63~~62: *Obligation to assist customs Officers*

A. All operators of conveyances must obey the orders of customs officers.

~~A.B.~~ Customs officers may make use of all appropriate equipment to halt conveyances when their operators do not stop when so ordered.

~~B.C.~~ When requested, civilian, police and military authorities are required to assist immediately customs officers in carrying out their duties under this Law.

Article ~~64~~63: *Obligations of officers*

A. Customs officers may not engage in commercial activities in any way related to or in conflict with their public-official ~~customs~~ duties.

B. Any information obtained by customs officers in the administration or enforcement of this law may only be used for the purposes specified in this law, unless specifically authorized by *Prakas* of the Minister of Economy and Finance.

Article ~~63~~64: *Offences by customs officers*
~~65:~~

~~In the exercise of their public duties, customs officers may check the identity of any person who enters or leaves the customs territory.~~

Customs officers who commit any violation of any provision of this law and regulations shall be punished in accordance with existing law.

Article 65: *Rewards*

The Minister of Economy and Finance may by *Prakas* determine the conditions for providing rewards to Customs officers who have high levels of performance, and to other competent authorities including the Royal Military armed forces, national police and local authorities, and to any other person, who participate in, cooperate with, or assist Customs in enforcing this Law.

Section ~~12~~ – ~~General~~SeizuresSEIZURES

Article ~~69~~66: Power of seizure

~~1. When an offence has been alleged, Customs officers have the right to seize goods and means of transport that may be subject to confiscation under this Law, and to seize records and other items that the officer believes will provide evidence of a contravention of this Law.~~

- 2.A. Customs officers have the right to seize temporarily goods and conveyances involved in violations of this law. Such goods and conveyances may be subject to confiscation by the competent court.
- B. Outside the Customs Zone, seizures may be carried out in customs houses, temporary storage facilities and customs bonded warehouses and other locations subject to the surveillance of customs.
- C. Goods designated under Article 9 (B) of this Law may be temporarily seized anywhere in the Customs Territory.
- D. Seizures may also be carried out anywhere in Customs Territory in the event of pursuit in plain sight, or the unexpected discovery of goods, the fraudulent origin of which emerges from the statements of the person holding the goods or from documents in the possession of the person.
- E. Customs officers have the right to copy documents or records, and to seize documents, records and other things that are evidence of violations of this law.
- F. The Minister of Economy and Finance may determine by Prakas -procedures regarding the seizure of goods, conveyances, records and other things, and the duplication of records.and the seizure of goods, conveyances, records and other things.

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Article ~~706~~567: Release of seized goods

- A. As circumstances allow, goods, conveyances or other things seized are taken to the customs office that is closest to the place of seizure. When there are several customs offices in the same locality, the objects seized may be transported to any one of them. When they cannot be taken immediately to the customs office or when there is no customs office in the locality, the objects seized may be entrusted to the custody of the accused or a third party at the seizure location or some other location.
- B. When the goods seized are not prohibited, and where the goods, conveyances, documents, records and other things items seized are not required for evidence, they may be released to the owner upon providing security in accordance with the provisions of Article 40 of this Law.
- C. Goods Sseized that are neither non-prohibited nor non-restricted, and other conveyances or other things goods and materials used for concealment or, and means of transportation of such goods used in the offence, shall be returned to their owners after full payment of all duties, taxes, other charges and fines release of the goods and means of transport shall be offered, under sufficient bond or deposit of the value thereof.

Article ~~766~~168: Provision of written statement

- A. Customs officers shall without delay provide the person from whom the goods, means of transport or thing evidence were seized with a written statement including the description and quantity of the items seized, the reason for the

seizure, and the legal provisions that may have been contravened. The seizing customs officer shall, without delay, ~~submit~~ write up a report ~~a-on~~ the seizure. The report shall include:

1. The date, time, and reason for the seizure, including the provisions of the Law that have been violated;
 2. Statement made to the accused by the seizing customs officer;
 3. Names, capacity, and address of those conducting the seizure and the person responsible for prosecution;
 4. The description, quantities and location of the goods seized;
 5. The presence of the accused during the description of the goods seized, and any statements made by the accused;
 6. Name and capacity of the custodian of the goods;
 7. The place and time where the report was written up;
 8. The location where the seized goods are stored. Any other relevant information regarding the seizure, report to the Director General of customs outlining the details of the suspected offence or contravention
- B. If the accused is present the report should indicate that it was read to him or her, that he or she was asked to read and sign it and was given a copy immediately.
- C. When the accused is not present the report is to be posted within 24 hours of its preparation at the nearest customs office, or the nearest municipal office if there is no local customs office.
- A.D. Further details regarding the contents and procedures for preparation and submission to the court of these statements report referred to in (A) above are determined by the Director of Customs.

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Article 69: Securing of vessels

In cases where seizures are conducted ~~With respect to seizures conducted~~ on ships and decked vessels and, when unloading cannot be done immediately, those conducting the seizure shall affix seals on the ship's panels and hatchways.

Article 736870: Custody of goods seized at private residences

In the event of a seizure at a residence, non-prohibited goods are not moved, provided that the accused provides security in accordance with the provisions of Article 40 of this Law. If the accused does not provide security, or if prohibited goods are involved, the goods are transported to the closest customs house or entrusted to a third-party custodian, either where the seizure took place, or at some other location.

Article 7719: Appeals of seizures

1.A. A person subject to a penalty or seizure of goods conveyance or other things may appeal in writing to the Director of Customs within 30 days of receiving notification of the penalty or seizure, stating the reasons for the appeal, and depositing security in accordance with Article 41 of this Law.

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2.B. The Director of Customs shall make a decision on the appeal within 60 days of receipt of the appeal; otherwise, the appeal is granted. ~~if not, the objection is granted.~~

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3.C. The Minister of Economy and Finance may by *Prakas* establish procedures regarding this appeal process.

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CHAPTER XII: OFFENCES, PENALTIES AND SETTLEMENT

Article 72: General

A. Any person who imports or exports goods, or attempts to import or export goods, in contravention of this Law or regulations commits an offence.

B. Customs offences may ~~give rise~~ be punished by ~~to~~ administrative fines imposed by Customs, or ~~to~~ by judicial penalties imposed by the competent Court, or both.

Article 73: Class one offences

Class one offences are minor violations of provisions of this law and regulations, including inaccuracies and omissions in completing declarations, and failure to meet requirements and obligations, that have no impact on duties, taxes, prohibitions, or restrictions. Such offences are subject to administrative fines of 100,000 to 500,000 riels when the irregularity is not more severely punished by this Law.

Article 74: Class two offences

A. Class two offences are any violations, including those contained in Article 73 above, that involve the evasion of duty or taxes where the goods are not prohibited or restricted. Such offences are subject to administrative fines of between one to three times the duty and tax evaded, or to a judicial penalty of confiscation of the goods and of the conveyance and other things used to conceal smuggled goods, and imprisonment of the offender for three to twelve months, or to both.

B. The following offences are included in paragraph (A) above:

1. Failure to report goods to customs in accordance with Articles 10 and 16 of this Law;
2. Unloading of goods from a conveyance before reporting to customs under the provisions of Article 12 of this Law;
3. Opening or unpacking, or causing to be opened or unpacked, any package of imported goods that has not been released by customs, or breaking or tampering with any seals that have been placed on goods, conveyances,

temporary storage facilities or bonded warehouses, or other places as required by this Law;

4. Removal of goods from a customs clearance area, a temporary storage facility, or a customs bonded warehouse without the authorization of Customs;
 5. Failure to submit a customs declaration in accordance with the provisions of Articles 29 of this Law;
 6. Failure to comply with the provisions of Article 30 of this Law;
 7. The unauthorized use, sale, transfer, diversion or disposal of goods imported exempt from duty and taxes under Articles 26 and 27 of this Law.
 8. Failure to comply with conditions imposed by Customs regarding goods entered under a duty or tax suspensive regime under the provisions of this Law.
 9. Making, assenting to, or participating in, the making of an inaccurate, false, or deceptive verbal or written statement or declaration in violation of this Law;
 10. Smuggling or attempting to smuggle;
 11. No person shall without authorization from Customs, possess, purchase, sell, transfer or otherwise acquire or dispose of any goods that were imported in violation of this Law.
- C. The following offences are subject to an administrative fine of 1,000,000 to 5,000,000 riels or to a judicial penalty of imprisonment of the offender for one to six months, or both.
1. Failure to comply with the provisions of Articles 51, 52, and 53 of this law regarding record keeping requirements.
 2. Any person who obstructs or impedes a customs officer in violation of Article 61 of this Law.
- D. Any person operating a conveyance that does not obey the orders of a customs officer under the provisions of Article 62 (A) of this Law.

Article 75: Repeat violations, aggravating circumstances

In cases of repeat violations of provisions of this Law, or aggravating circumstances, administrative fines and judicial penalties are doubled.

Article 76: Class three violations

- A. Class three violations include all class two violations that involve goods that are prohibited or restricted under the provisions of Article 9 (A) of this Law, with the exception of violations under Article 74 (B) (11) of this Law.

B. Class three violations are punished by administrative fines of up to three times the value of the goods or conveyance, or to judicial penalties of confiscation of the goods, conveyance, and other things used to conceal smuggled goods, and imprisonment of the offender for three to ten years, or both

Article 77: Settlement

1.A. Customs is authorized to reach settlement with individuals prosecuted for customs offences. This right of settlement applies only to monetary fines.

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2.B. The settlement may occur before the final decision of the Court.

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3.C. The conditions for exercising the right of settlement are established by *Prakas* of the Minister of Economy and Finance.

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**CHAPTER XIII:
Section I – Transitional Provisions**

Article 78: *Transitional provisions*

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The Minister of Economy and Finance may by *Prakas* delay implementation of provisions of Articles 21 and 22 of this Law respecting the valuation of imported and exported goods.

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Section II – Final Provisions

Article 79: *Final Provisions*

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Any provisions that contradict this Law shall be considered null and void.

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Article 80: This Law is declared to be urgent.

This Law has been adopted by the _____ National Assembly of the Kingdom of Cambodia on the day of _____, 200_ during the _____ session of the Second Legislature.
Phnom Penh, _____, 200_.
President of the National Assembly **ACT**