

KINGDOM OF CAMBODIA
National Religion King

Ministry of Commerce
No. 1437/MOC/PRK
June 21, 1999

PRAKAS
On the issuance of the Certificate of Origin, Commercial Invoice
and Export Licence for Garments

The Minister Of Commerce

- Referring to the 1993 Constitution of the Kingdom of Cambodia;
- Referring to Reach Kret of Norodom Sihanouk King of Cambodia of November 1, 1993 on the Appointment of the Royal Government of Cambodia;
- Referring to Reach Kret CS/RKN/0897/47 of August 7, 1997, on the Reorganization of the Royal Government of Cambodia;
- Referring to Kram No. NS/RKM/0196/16 of January 24, 1996, promulgating the Law on the Establishment of Ministry of Commerce;
- Referring to Anukret No. 54/ANK of September 22, 1997, on the Organization and Functioning of the Ministry of Commerce;
- Referring to the Commission Regulation (EEC) No. EEC 2454/93 on the granting of Generalized System of Preference (GSP) and Most Favored Nation (MFN) status to Cambodia;
- Referring to the Agreement between the United States of America and the Kingdom of Cambodia on Trade Relations and Intellectual Property Rights Protection of October 4, 1996;
- Referring to the Agreement Relating to Trade in Cotton, Wool, Man-made Fiber, Non-Cotton Vegetable Fiber and Silk Blend Textile and Textile Products Between the Royal Government of Cambodia and the Government of the United States of America of January 20, 1999;
- Referring to the letter of the Council of Ministers authorizing the establishment of the Garment Factory Technical Inspection Committee No 100/SCN of February 3, 1997;
- Referring to the Resolutions of the meeting of the Council of Ministers of September 21, 1997;
- Referring to Prakas of the Ministry of Commerce No. 141/MOC/PRK of April 29, 1997, on the Establishment of the Garment Factory Technical Inspection Committee;
- Referring to Prakas of the Ministry of Commerce No. 340/MOC/PRK of November 28, 1997, on the Establishment of the General System Preferences Department;
- Referring to Prakas No. 338/MOC/PRK of November 28, 1997, on the Organization and Functioning of the Foreign Trade Department;
- Pursuant to the need to issue Certificates of Origin, Commercial Invoices, and Export Licences in an effective manner.

IT IS HEREBY DECIDED

Article 1: To ensure ~~that clothing exports adhere to the export products of clothing from Cambodia in accordance with the rules~~ of ~~o~~Origin of goods ~~to target~~ of the importing country, especially the member countries of the EU and United State of America, ~~†~~The Ministry shall provide the modalities for the issuance of the rules of origin for products originating from Cambodia as follows:

Article 2: Exporter Registration in Cambodia:

The export of garment products from Cambodia to any third country can be done only for garment producers who have registered their companies with the General System of Preferences (GSP) Ddepartment of the Ministry of Commerce. The following procedures shall apply for garment producers wishing to register or re-register:

1. Registration Validity

The registration shall be valid for a 12 months period; thereafter the ~~revision-renewal~~ of the registration of any kind of garment products, ~~which wish to continue their for~~ exportation shall be ~~re-registered~~required.

2. Re-registration Terms

Applicants who have been previously registered for 12 months before the registration expires.

3. The ~~relevant following~~ documents shall ~~be accompanied~~ the application.

- An application form fully filled;
- A copy of the certificate of registration and the company memorandum and articles of associations, ~~which~~ provided by the ~~department of~~ Legal Department of the Ministry of Commerce (only for a company who that has already registered);
- A copy of the investment approval issued by the Council for the Development of Cambodia and the company memorandum and articles of associations;
- A copy of the authorization letter ~~which~~ provided by the Ministry of Industry, Mines and Energy;
- A copy of the membership certificate to the Garment Associations;
- Detailed documentation of the company location (factory);
- Copy of a lease agreement of factory or land in Cambodia if possible;
- List of main kinds of products, to be manufactured by the company (factory);
- Total number of sewing machines, and needlework machines in the operating process;
- Average ~~of possibility of maximum~~ monthly production ~~ing~~ for each machine;
- Copy of the passport of the company owner (if a foreign national) or identification card (if a Khmer national);
- Two photos of the company owner;
- Sample ~~of~~ signature of the officer who has been empowered to sign on the certificate of the company on behalf of the company owner;
- Sample or photo of goods, ~~if will to~~ be produced;
- For applicants whose businesses have been in operation for less than 12 months, the following additional shall add some information as follows is required:
- The ~~quantity of~~ exports' value in each month of the year under the Multi Fiber Arrangement (MFA). ~~†~~This information should be accompanied by a copy of the certificate of origine and the custom export declaration. The ~~detailed quantity of~~ value of wool, clothes, ~~the parts~~ of clothing, needles, ~~a parts~~ of cloth fasteners, and ~~the~~ products ~~are~~ produced under the OPA arrangement listing the quantity under the Harmonized System (HS). The monthly statement should be accompanied by a copy of the Certificate of import from the Custom officials and invoices for those materials from the supplier.

4. Data Verification:

For the purpose of verifying the data used in the documents, the applicants shall allow the GPS officials to check the data ~~of which~~ declared by applicants on the site of factory.

5. Period for registration application:

The procedures of registration shall be completed within 7 days after the applicants have submitted for verification of all the relevant documents.

- The GSP Department shall inform the applicants within 3 days to complete the missing documents.
- The GSP Department can reject once the registration application, except for those whose with the missing information.

6- Correction of the registration information:

The exporters can rectify at any time of the information submitted during their registration with regard to:

- the type of garment produced;
- sewing machines in operation;
- production capacity for each machine on a monthly average for each type of garment.

The GSP Department shall verify the accuracy of the information based on actual field check before making the necessary correction.

Article 3: Evidentiary document of raw materials import:

The exporters who have registered at the Ministry of Commerce should ~~indicate~~ provide the relevant documents during their 12 months of registration the following:

1. Verification of stock inventory

- Every month, the producers shall provide to the GSP Department and the Foreign Trade Department the stock inventory of raw materials which used in the production of goods such as yarn, fabric, clothing parts cut from knitted or weaved fabrics (for exporters using the OPA scheme).

2. A copy of documents of imported raw material for the month subject to the verification which should include the bill of lading (B/L) and the custom declaration.

3. A copy of the Certificate of Origin verifying the origin of the raw materials imported issued by the ASEAN member countries. These documents shall be submitted by the exporters wishing to request the issuance of export licences and Cambodian certificates of origin form A for export to an EU member country.

Article 4: Certificate Issuance Formalities

The procedures for issuing the certificate for garments produced in Cambodia shall be as follow:

1. the simple certificate of origin form is accepted for garments export outside the GSP scheme.
2. The certificate of origin form A for garments benefiting from the EU market duty-free GSP scheme.
3. The certificate of origin form A shall be supplemented by
 - Article 72B regional cumulation for garments benefiting from the EU market duty-free GSP scheme.
4. Visa requirement: applicable only for garments exported to the US market.
5. Export licence.
 - a. For garments exported to countries aside from Canada (follow the procedures of the GSP Department).
 - b. For garments categories 4, 5, 7, 8, 15, 21, 28, and 73 exported to the EU. Subject to the Textile Agreement which was initiated on February 3, 1999 (follow the procedures of the Foreign Trade Department).

Article 5:

- a. Cambodian Certificate of origin, commercial invoice, export licence for export to Canada.

Any certificate of origin shall contain the following information:

- Name and address of exporters;
- Name and address of importers;

- Destination country;
 - Transportation mode;
 - Quantity for each garment types and value under the Harmonized System (HS);
 - Value for each item and the total exported value;
 - Exporter's declaration stating that all the goods have been produced in accordance with the rule of origin;
 - Signature, seal, and perforated security code number of the Ministry of Commerce.
- b. Export Licence of textile products from Cambodia to the EU market.
Any Export licence of Cambodian textile products as stipulated in Article 4, item 5b shall contain the following information:
- Name and address of exporters;
 - Export licence number;
 - Year of export;
 - Category;
 - Name and address of importers;
 - Country of origin: Cambodia;
 - Destination country;
 - Transportation mode, date, month and year of the goods export from Cambodia and the loading location;
 - Miscellaneous information;
 - Detailed information: type, total number, type of packaging, calculated in Kg or cartons;
 - Specific quantity of goods for categories 4, 5, 7, 8, 15, 21 calculated in pieces and for categories 28, 73 calculated in in Kg;
 - Total value in a currency as stipulated in the purchase order;
 - Signature, seal, and perforated security code number of the Ministry of Commerce;
 - Name and address of the Foreign Trade Department of the Ministry of Commerce.

The validity of the Export Licence: The licence shall be valid for 6 months after its issuance.

Article 6: Procedures for the issuance of the Cambodian Certificate of Origin, Commercial Invoice, and Export Licence.

a. Procedures for exporting to Canada

1. Application form:

- An application form ascertaining the goods as originating from Cambodia.
- A copy of
 - Invoice;
 - Packing list;
 - Sale contract and/or purchase order from the importer.
- A Certificate of Production issued by the Ministry of Industry, Mine and Energy;
- Draft Cambodian certificate of origin, commercial invoice and export licence to Canada listing the goods to be exported. In order to ensure the accuracy of the goods listing, the applicant shall provide also the Harmonized System (HS) code number;
- The documents should also list the categories of goods;
- A receipt issued by the Department of Administration of the Ministry of Commerce for fees paid: US\$ 30 for a simple Certificate, US\$ 50 for a Certificate Form A, and US\$ 50 for an export license (Canada).
- Riels 120,000 (Hundred and twenty thousand Riels) for a Commercial invoice.

2. The issuance of the certificate of origin, the Commercial Invoice, and the export license for export to Canada.

- After receiving the application for certificate of origin and other related documents as above mentioned in point 1, including the Certificate of Production (CP), the GSP Department shall issue a Temporary Export Authorization (TEA) to the applicant authorizing the goods export while the technical verification and actual inspection of the production line are undertaken at the factory's site.

- The TEA shall contain the same information as those in the certificate of origin and come in quadruplicate: 1. Original copy, 2. Duplicate copy, 3. Triplicate copy, and 4. Quadruplicate copy. After the goods shipment, the applicant shall submit the TEA and other related documents which include:
 - a. an original copy of the Bill of Lading;
 - b. an original copy of the Custom Export Declaration;
 - c. an original copy of Camcontrol certificate of quantity.
 to the GSP Department for the issuance of the Certificate of Origin, the Commercial Invoice, and the Export License for Canada. All goods shipment shall be checked by the Camcontrol and Custom officials at the factory site prior to loading in containers. In the event the applicant fails to comply with these directives, the officials shall not responsible for any delay and other consequences.

b. Procedures for the issuance of the export licence of Cambodia.

1. Application:
 - An application form ascertaining the goods as originating from Cambodia
 - A copy of
 - Invoice;
 - Packing list;
 - Sale contract and/or purchase order from the importer.
 - Draft export licence listing the goods to be exported. In order to ensure the accuracy of the goods listing, the applicant shall provide also the Harmonized System (HS) code number;
 - The documents should also list the categories of goods;
 - A receipt issued by the Department of Administration of the Ministry of Commerce for the payment fees of Riels 15,000 (Fifteen Thousand Riels).
2. The issuance of the export license for textile products.
 For the issuance of the export licence for textile products in categories 4, 6, 8, 15, 21, 28, 73 to the EU, the applicant shall submit the following relevant documents:
 - The Temporary Export Authorization;
 - Bill of Lading;
 - Custom Export Declaration;
 - Camcontrol Certificate of Quantity
 These documents shall be submitted first to the Foreign Trade Department for the issuance of the export licence, and thereafter forwarded to the GSP Department for the issuance of the Certificate of Origin.

Article 7: Punishments and Fines:

1. If the exporters are being applied contrary to the prakas No. 350/PRK of December 9, 1996 and other Prakas, they shall be liable for the following fines:
 - a. First time offence: a fine of US\$ 10,000.00 and temporary suspension of the Certificate of Origin, the commercial invoice or the Export Licence for 14 working days;
 - b. Second time offence: a Fine US\$ 50,000,00 (Fifty Thousand Dollars) and temporary suspension of the Certificate of Origin, the commercial invoice or the Export Licence for 3 months.
 - c. Third time offence: Suspension or cancellation of their company registration.
2. Shall be subject to removal from the registration list by the Minister of Commerce any company found with evidence to be been involved in collusion with foreign manufacturers to apply for Cambodian certificates of origin, export licences, and commercial invoices for goods produced in territory outside Cambodia for destination in a third country, as a result of which their shipment has been rejected by the destination country and has caused problem for the governments of both producer and third country.
3. Any official of the Ministry of Commerce who:
 - a. Collobrates with the producers to produce the clothes which are contrary to this Prakas.

- b. Attempts to extort money from the applicants through concrete acts or threaten to delay the issuance of the export licence, the certificate of origin, the commercial invoice without reasonable cause

shall be subject to sanctions under the Law on the General Statutes of Civil Servants of the Kingdom of Cambodia.

Article 8: Any regulations that are contrary to this Prakas shall be considered as null and void.

Article 9: The Technical Director General, the Director General of Administration and Finance, the Director of the General System Preferential Department, the Director of Foreign Trade Department, and Camcontrol of the Ministry of Commerce shall implement this Prakas in an effective manner.

Article 10: This Prakas shall enter into force on the date of its signature.

Phnom Penh, June 21, 1999

Minister of Commerce
Signature and Seal
CHAM PRASIDH