

KINGDOM OF CAMBODIA

Nation Religion King

**Ministry of Economy and Finance
No. 112 MEF. PRK**

Phnom Penh, 15 February 2008

PRAKAS

on

Provision of Security

Senior Minister,

Minister of Economy and Finance

- Having Seen the Constitution of the Kingdom of Cambodia;
- Having Seen Reach Kram N° NS/RKT/0704/124 dated 15 July 2004 on the Appointment of the Royal Government;
- Having Seen Reach Kram N° 02/NS /94 dated 20 July 1994 promulgating the Law on the Establishment and Organization of the Council of Minister;
- Having Seen Reach Kram N° 02/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 N° NS/RKM/0707/017 dated 20 July 2007 promulgating the Law on Customs;
- Having Seen Anukret N° 04 ANKR.BK dated 20 January 2000 on the Establishment and Organization of the Ministry of Economy and Finance;
- Pursuant to the priority task of the Ministry of Economy and Finance

HEREBY DECIDES

Praka 1.-

Customs may require that security be provided to guarantee the payment of duties and taxes, or to ensure that the declarant or other responsible party fulfills any obligation they may have to compliance with a customs procedure or other law practices in accordance with the provisions of Article 41 of the Law on Customs,

Praka 2.-

The security may be required in the following circumstances:

- the release of goods from customs control before payment of duty and taxes;
- the movement of goods within or through the customs territory under the transit regime;
- authorized customs brokers, operators of bonded warehouses, operators of temporary storage facilities ;
- temporary import and export of goods ;
- release of goods pending the decision on appeal, release of temporarily seized goods; or
- other circumstances as may be required by customs

Praka 3.-

The security may be in the form of:

- cash or cheque certified by a bank,
- bond or security provided by an approved surety i.e. a bank, insurance company, or a government institution, and other forms of security that are approved by the Director of Customs.

Praka 4.-

The security provided under the provisions of this Prakas may be used once or continuously. Continuous security means a security submitted in a form and amount that can be used in two ways;

- the amount of the security is reduced each time import duty and tax are paid until its balance is zero; or
- the amount of security remains the same for an unlimited time, and each payment of the import duty and tax is made without deducting it. Thus, the security acts as a standing guarantee and is used for continuing operations such as authorized customs brokers, operators of bonded warehouses, temporary storage facilities, the transport of goods that have not been released from customs, and other customs procedures under which duty and tax are suspended.

Praka 5.-

The amount of security required in each circumstance is to be an amount sufficient to cover outstanding duty and tax obligations. The Director of Customs may, based on assessed risk, accept a lower security amount in cases of persons who have

established a good reputation with customs, or who are regular and reliable users of the security procedures. The amount of security shall be monitored by customs and may be adjusted as required.

Praka 6.-

The Director of Customs may waive the requirement for security for operations carried out by a agency of the Royal Government of Cambodia, or in situations where he is satisfied that the obligation will be met, or where the revenue at risk is very low.

Praka 7.-

In the case of security provided to guarantee the export or re-export of goods, the Director of Customs may release the security upon provision of proof establishing that the goods have been exported. This proof includes a customs export declaration duly certified by Cambodian Customs, or a certified import declaration from the country of import of the goods. Upon request, the Director may accept other documents as proof of export, including transportation documents, and certification by officials in the country of import that the goods were imported.

Praka 8.-

If the conditions for which security is provided are not met;

- In the case where the guarantee is by cash or certified cheque, Customs will keep a sufficient portion of the security to cover the amount of duty and tax payable.
- In the case of surety bonds or bank guarantee, customs shall take reasonable attempts to collect from the principal. If not successful, customs will then submit a claim to the bond issuer or the concerned bank to release the amount equal to the duty and tax payable. A copy of the request will be provided to the principal.
- In the case of other forms of guarantees, the principal has to pay the duty and tax amount payable immediately. If the principal fails to do so, Customs shall request the guarantor to pay the duty and tax amount payable.

Praka 9.-

Customs shall release the security provided as soon as possible after the competent customs officer is satisfied that the obligation for which the security was provided has been met, including the payment of duty and taxes.

Praka 10.-

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

Praka 11.-

Delegate of the Royal Government in charge of Customs and Excise Department, Secretary General, Director of Cabinet, Director of the Department and involved units within the Ministry of Economy and Finance; including personnel and institutions concerned shall carry out the provisions of the s effectively from the signatory date.

Senior Minister,

Minister of Economy and Finance

Signature

Keat Chhon

C.C.:

- Ministry of the Royal palace
- Secretariat General of the Senate
- Secretariat General of the National Assembly
- Cabinet of Samdech Akka Moha Sena Padei Techo **Hun Sen** Prime Minister of the Kingdom of Cambodia
- Council of Ministers
 - "To be informed"
- Customs and Excise Department
- As Praka 11
- Cambodia Chamber of Commerce
 - "For publicized cooperation and implementation"
- Official Journal
- Document - Archive