

The Kingdom of Cambodia

Data Collection Survey for Improvement of Customs Procedure at the Main Borders in Cambodia

Final Report

FEBRUARY 2022

Japan International Cooperation Agency (JICA)

International Development Center of Japan Inc.

IC Net Limited

GP
JR
22-038

**Data Collection Survey for Improvement of Customs Procedure
at the Main Borders in Cambodia
Final Report**

Table of Contents

	page
CHAPTER 1 Introduction	1
1.1 Background	1
1.2 Objectives.....	1
1.3 Methodology.....	2
CHAPTER 2 Custom Clearance and Import/Export Documentation Procedures in Cambodia.....	4
2.1 Detailed Customs Clearance Procedures and Status.....	4
2.2 Border Management.....	22
2.3 Legal System for Customs Clearance and Import/Export Procedures.....	24
2.4 Progress of NSW.....	24
2.5 ASEAN Customs Transit System (ACTS)	31
2.6 CBTA.....	33
2.7 Support of International Donors.....	34
2.8 Relevant Committee in Cambodia.....	36
2.9 Improvement Project under the “Cambodia Logistics Improvement Project Phase-2” by JICA.....	38
2.10 Private Sector.....	40
CHAPTER 3 Customs Clearance Procedures in Neighboring Countries	43
3.1 Thailand	43
3.2 Vietnam	53
CHAPTER 4 Issues	59
4.1 International Comparison of Customs Clearance in Cambodia	59
4.2 Issues	59
CHAPTER 5 Examples of Land Borders in Other Country	65
5.1 Lao Bao – Dansavanh Border	65
5.2 Pilot Project at Thailand-Malaysia Border.....	68
5.3 OSBPs in Africa.....	69
5.4 Private Border Management Company	71
CHAPTER 6 Consideration of SSI/CCA Introduction	73
6.1 Approach to introducing SSI/CCA to borders	73
6.2 Consideration of Introduction of SSI/CCA in Cambodia	78

CHAPTER 7	Consideration of the Pre-Arrival Import Declaration System	84
7.1	Pre-arrival import declaration system and centralized declaration processing system	84
7.2	Examples of Other Countries	86
CHAPTER 8	Actions and Roadmap	88
8.1	Direction of Border Crossing Improvement	88
8.2	Actions	89
8.3	Actions by the Direction	92
8.4	Proposed Roadmap	102
CHAPTER 9	Priority Projects	103
9.1	Selection of Priority Projects	103
9.2	Priority Projects	103
CHAPTER 10	Conclusion	105

List of Figure and Table

	page
Figure 1.1	Study Area Map.....2
Figure 2.1	Flow of Export Customs Clearance Procedures from Cambodia6
Figure 2.2	Flow of Import Customs Clearance Procedures to Cambodia.....8
Figure 2.3	Customs Seal on a Truck from Vietnam11
Figure 2.4	Major Customs Facilities in Poipet.....17
Figure 2.5	Road Construction near Poipet Border.....18
Figure 2.6	Detour Road for Soft Open.....18
Figure 2.5	Plan of Stung Bot Border.....19
Figure 2.8	Parai Border Facility under Construction in Thai Side19
Figure 2.9	Customs Clearance Flow by ASYCUDA20
Figure 2.10	Current IT System of GDCE29
Figure 2.11	Improvement Plan of ASYCUDA30
Figure 2.12	Truck Traffic at the Bavet-Moc Bai Border, 2013-2020.....38
Figure 2.13	Truck Traffic by Time Zone at the Bavet Border39
Figure 3.1	Services of e-Customs in Thailand48
Figure 3.2	Aranyaprathet Border49
Figure 4.1	Location of the Facility near Bavet.....62
Figure 5.1	Location of Lao Bao-Dansavanh65
Figure 5.2	Lao Bao Dansavanh On-Premises Bulletin Board65
Figure 5.3	Lao Bao - Dansavanh Facility Usage Fee Notice67
Figure 5.4	Dansavanh Vehicle Fee Notice68
Figure 5.5	Location of OSBP69
Figure 5.6	Rusumo OSBP and OSBP Facility at Rwanda side70
Figure 5.7	Kazungula OSBP and OSBP facility of Zambia side70
Figure 5.8	Location of Private Border in Turkey71
Figure 5.9	Kapikule Border Gate71
Figure 5.10	Kapikule Truck Parking.....72
Figure 6.1	Proposal to introduce SSI/CCA import procedure system82
Figure 6.2	Proposal to introduce SSI/CCA export procedures system83
Figure 8.1	Direction 1: Actions for Improving the System and Procedure.....92
Figure 8.2	Direction 2: Actions for Promoting Efficiency of the Border Operation.....93
Figure 8.3	Proposed Roadmap102
Table 2.1	Function and Operational Status of ASYCUDA and e-Customs.....4
Table 2.2	Overview of Export Customs Clearance Procedures at Major Land Borders7
Table 2.3	Overview of Import Customs Clearance Procedures at Major Land Borders8
Table 2.4	Vehicle Traffic Volume at the Bavet - Moc Bai Border.....12
Table 2.5	Flow of the Bavet Border Crossing Procedure (Import: Inbound)12

Table 2.6	Flow of The Bavet Border Crossing Procedure (Export: Outbound).....	13
Table 2.7	Vehicle Traffic at the Poipet - Klong Luk Border	15
Table 2.8	Flow of Inbound Border Crossing Procedures at Poipet Border	15
Table 2.9	Flow of Outbound Border Crossing Procedures in Poipet	16
Table 2.10	Flow of Import Customs Clearance Procedures	21
Table 2.11	Flow of Export Customs Clearance Procedures	21
Table 2.12	Border Operations Hours.....	23
Table 2.13	Summary of CBTA	33
Table 2.14	Traffic for Three Days on the Survey Dates (January 2020).....	39
Table 2.15	Opinion from Private Sector	41
Table 3.1	Documents required for import and export (Thailand)	44
Table 3.2	Import Custom Clearance Time for Suvarnabhumi International Airport and Leam Chabang Port in 2018.....	45
Table 3.3	Export Custom Clearance Time for Suvarnabhumi International Airport and Leam Chabang Port in 2018.....	46
Table 3.4	Documents required for Import and Export (Vietnam)	54
Table 3.5	Custom Clearance Time in Vietnam (2018).....	55
Table 3.6	Custom Clearance Times by Route in Vietnam (2018).....	55
Table 4.1	LPI in 2018	59
Table 4.2	Issues at the Borders.....	64
Table 6.1	Comparative Study of Customs Clearance Procedures at SSI/CCA, OSBP, Off-Border Clearance Facilities	74
Table 6.2	Challenges for Introduction of SSI/CCA Development at New Bavet Border	83
Table 7.1	Comparison Table of Centralized and De-centralized Processing Method.....	86
Table 8.1	Issues and Proposed Actions (1).....	90
Table 8.2	Issues and Proposed Actions (2).....	90
Table 8.3	Issues and Proposed Actions (3).....	91
Table 8.4	Issues and Proposed Actions (4).....	91
Table 8.5	List of Proposed Actions	94

Abbreviation

ACTS	ASEAN Customs Transit System
ADB	Asian Development Bank
AECB	ASEAN Economic Community Blueprint
AEO	Authorized Economic Operator
AFAFGIT	ASEAN Framework Agreement on Facilitation of Goods in Transit
AISP	ASEAN Integration System of Preference
AJCEP	ASEAN Japan Comprehensive Economic Partnership
ASEAN	Association of South-East Asian Nations
ASW	ASEAN Single Window
ATIGA	ASEAN Trade in Goods Agreement
AUDA-NEPAD	African Union Development Agency - New Partnership for Africa's Development
BOI	Board of Investment, Thailand
BOT	Build-Operate-Transfer
CBTA	Cross-Border Transport Agreement
CBWG	Cross-Border Working Group
CCA	Common Control Area
CDC	Council for Development of Cambodia
CDS	Customs Declaration System
CEPT	Common Effective Preferential Tariff
CIPE	Center for International Private Enterprise
CNSW	Cambodia National Single Window
COO	Certificate of Origin
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CRMDS	Custom Risk Management Data Base System
CVDS	Customs Valuation Database System
CVSS	Customs Valuation Statistics System
EAD	Encoded Archival Description
EDI	Electric Data Interchange
EHI	Early Harvest Implementation
EU	European Union
FTA	Free Trade Agreement
GAFT	Global Alliance for Trade Facilitation
GDCE	General Department of Customs and Exercise
GIZ	Gesellschaft für Internationale Zusammenarbeit
GMS	Greater Mekong Subregion
GSP	Generalized System of Preferences
GTI	Gümrük ve Turizm İşletmeleri Ticaret A.Ş
GSTP	Global System of Trade Preferences
ICC	International Chamber of Commerce
JICA	Japan International Cooperation Agency
JTEPA	Japan-Thailand Economic Partnership Agreement
LPI	Logistics Performance Index
MAFF	Ministry of Agriculture Forestry and Fishers
MCFA	Ministry of Cultures and Fine Arts

MEF	Ministry of Economy and Finance
MISTI	Ministry of Industry Sciences, Technology and Innovation
MOC	Ministry of Commerce
MOH	Ministry of Health
MOI	Ministry of Interior
MPWT	Ministry of Public Works and Transport
MRA	Mutual Recognition Agreement
NCTF	National Committee on Trade Facilitation
NLC	National Logistics Council
NSW	National Single Window
NTTCC	National Transit Transport Coordinating Committee
OGA	Other Government Agency
OSBP	One Stop Border Post
PIDA	Programme for Infrastructure Development in Africa
QIP	Qualified Investment Project
SAD	Single Administrative Document
SEZ	Special Economic Zone
SSI	Single Stop Inspection
SWI	Single Window Inspection
TCMS	Trader Credibility Management System
TDSP	Trade Development Support Program
TFA	Trade Facilitation Agreement
TFCP	Trade Facilitation and Competitiveness Project
TMEA	TradeMark East Africa
TRS	Time Release Study
UNCTAD	United Nations Conference on Trade and Development
WCO	World Customs Organization
WTO	World Trade Organization

CHAPTER 1 INTRODUCTION

1.1 Background

“Industrial Development Policy (IDP)”, which is the one of most important economic development policies of the Royal Government of Cambodia, stated introduction of National Single Window (NSW), minimization of immigration procedures, and reduction of unnecessary procedures in order to facilitate trades.

Cambodia is located between Thailand and Vietnam on the southern economic corridor of the Mekong region. From the viewpoint of strengthening the connectivity of the region as well as utilize such locational advantage of Cambodia for its development, smooth and swift border crossing at the border between Cambodia and Thailand and Vietnam is required to be realized. In order to facilitate and speed up border crossing, the measures for alleviating traffic congestion to shorten waiting time for customs clearance at each border, speeding up border crossing procedures and customs procedures are considered.

With the above recognition, this survey, namely “Data Collection Survey for Improvement of Customs Procedure at the Main Borders in Cambodia” was prepared to figure out the clearance procedures at main borders in Cambodia and to analyze the bottlenecks and potential measures including introduction of Single Stop Inspection (SSI) and Common Control Area (CCA). Conclusively, the survey result would contribute to develop supporting projects/ programs by Japan International Cooperation Agency (JICA) in future.

1.2 Objectives

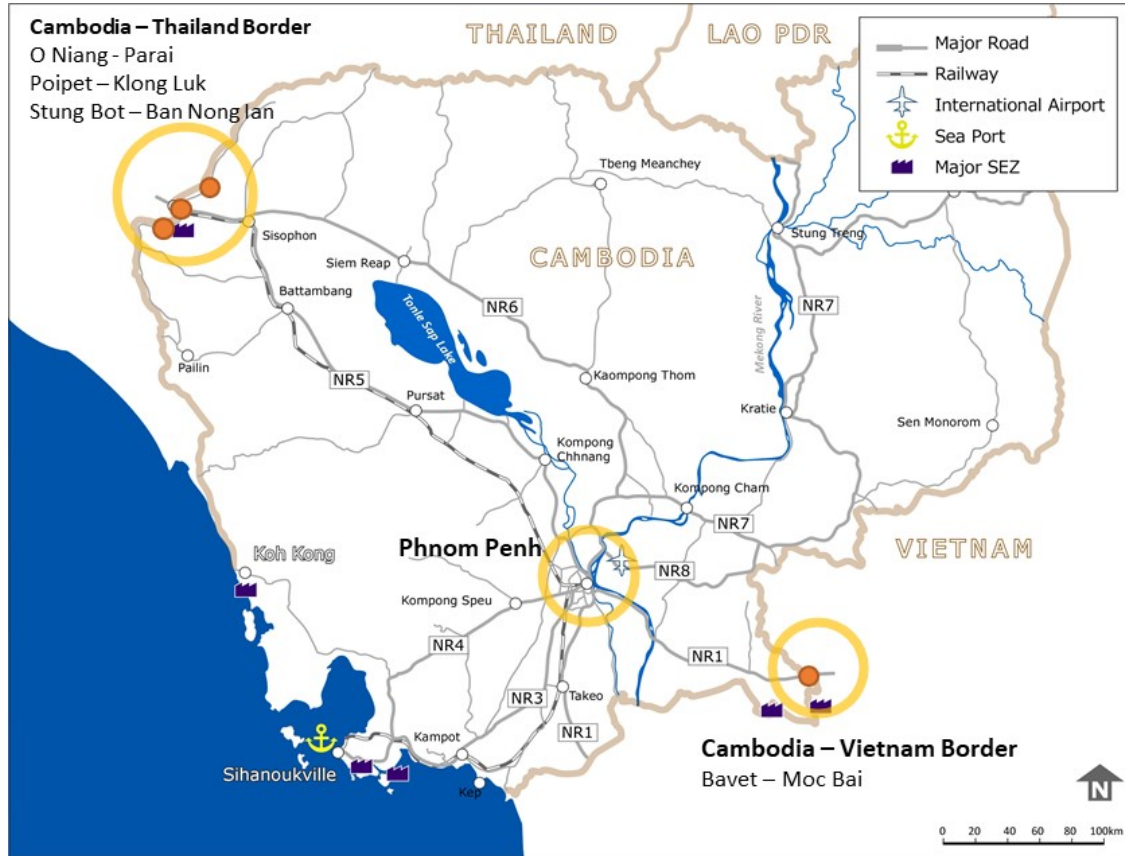
Overall clearance procedures by customs and other government agencies at the main borders in Cambodia was studied and analyzed in order to clarify the issues and bottlenecks. Based on the analyses, a roadmap to improve the clearance procedures at the main borders has been examined including action plans with the timeframe of short, medium and long term. Finally, potential supports including introduction of SSI/CCA or cooperation policies by JICA were proposed.

The developed roadmap including potential actions were expected to contribute as inputs for the relevant committees such as National Committee on Trade Facilitation (NCTF) and Cross Border Working Group (CBWG) which members include General Department of Customs and Exercise (GDCE), Ministry of Public Works and Transport (MPWT) and other relevant ministries. Besides, the survey results could be utilized for further development of Southern Economic Corridor and Greater Mekong Region.

1.3 Methodology

1.3.1 Project Area

The Survey covered whole country of Cambodia and focus on Phnom Penh, Cambodia – Thailand and Cambodia – Vietnam borders. To be more precise, four land borders including Bavet, Stung Bot, Poipet and O Niang were studied mainly. The following figure illustrates the location of these borders.



Source: JICA Survey Team

Figure 1.1 Study Area Map

1.3.2 Survey Items

In this survey, the current situation was analyzed from the two perspectives of "efficiency and speeding up of customs clearance and obtaining import/export licenses" and "efficiency and speeding up of border procedures" in order to clarify the issues. Therefore, the following works were carried out.

Information and Data Collection

- Detailed process of customs clearance
- Law and regulation related to customs clearance and import/export procedures
- Progress of NSW and future policies
- Cooperation of JICA project for improving the logistics system in Cambodia (Phase 2)
- Project/program by other international donors

- Current situation of ACTS and CBTA
- Digitization of customs clearance
- Relevant committees and working group by Cambodia government

Survey and Analyses

- Issue analyses and proposal of potential measures
- Preparing the reports

1.3.3 Survey Methodology

For taking account of the expansion and infection of the Coronavirus Disease 2019 (Covid-19), the meeting and opinion exchange with the counterpart and stakeholders were conducted by online for collecting the data and information. In addition, a field survey was carried out in Cambodia.

1.3.4 Survey Period

The survey period was approximately one year from February 2021 to February 2022.

CHAPTER 2 CUSTOM CLEARANCE AND IMPORT/EXPORT DOCUMENTATION PROCEDURES IN CAMBODIA

2.1 Detailed Customs Clearance Procedures and Status

2.1.1 Summary

Introduction of International Standards

Cambodia has been working to meet the international standards for customs and trade procedures, joining the World Customs Organization on April 3, 2001, and the World Trade Organization on October 13, 2004. In June 2014, Cambodia ratified the revised Kyoto Convention of the WCO (for the purpose of simplifying and harmonizing customs procedures) and ratified the WTO Trade Facilitation Agreement (the purpose of the Agreement is to ensure the freedom of transit cargo, simplification of import and export procedures, publication and fair implementation of trade rules, clarification and improvement of the appeal system). The agreement entered into force on February 22, 2017.

Computerization of Customs Clearance Procedures

With regard to computerization of customs clearance procedures, the ASYCUDA system was introduced in 2007, and e-Customs system, which complements the ASYCUDA, has been introduced, enabling the computerization of customs procedures at almost all customs offices. With the support of the World Bank, a blueprint for the construction of NSW was developed and connections with non-customs trade related agencies led to the construction of NSW in 2019, and the Ministry of Commerce connected its own computerized certificate of origin issuance system which developed and used since 2016. It is also connected to the Cambodian Development Council, and the tax exemption procedure related to investment is also being electrified. The NSW also connects to ASEAN Single Window, allowing the exchange of certificates of origin using electronic data in the ASEAN region.

Besides since e-Valuation and origin verification certificate are uploaded to Customs Valuation Database System (CVDS) since January 2022, local customs offices of GDCE are smoothly confirm data of ASYCUDA declaration, original documents are not necessary these days. As a result, the advance procedure and customs clearances are improved.

Table 2.1 Function and Operational Status of ASYCUDA and e-Customs

System	Function	Import	Export	Operation
ASYCUDA	• ASYCUDA Main Frame	○	○	Consider revision of main frame. If agreed start development New System
	• Imp/Exp Clearance	○	○	In operation
	• Bonded Warehouse Function	○	○	In operation
	• Barcode/QR code	○	○	In operation

System	Function	Import	Export	Operation	
	• Direct TI Function	○	○	In operation	
	• Real-time SAD Tracking Function	○	○	In operation	
e-Customs	• e-Customs Dashboard	○	○	In operation	
	• Customs Permit	• e-Manifest Function	○		In operation
		• e-Permit	○		In operation
		• e-Valuation	○		system to be developed
		• e-Payment	○	○	In operation
	• Existing dutiable goods Module	○		In operation	
	• Simplified Declaration Module	○		In operation	
	• e-Transit (National/International Transit Declaration Module)	○	○	In operation	
	• Transportation Document Petroleum Product	○		In operation	
	• Transportation Document General Goods	○		In operation	
	• Container Scanning Report	○		In operation	
	• CCTV Installation at Scanning machine	○		In operation	
• Exchange Collected Revenue with FMIS	○		In operation		

Source: JICA Survey Team

Introduction of the Best Trader Incentive Mechanism (BTIM)

The Best Trader Incentive Mechanism (BTIM) System recognizes that the best trader who properly declares and pays taxes and meets the requirements of customs and gives incentives such as omission of pre-document examination of customs valuation and simplification of customs procedures. It was introduced in 2013 by inviting excellent companies from the customs side as GDCE gives special qualifications based on the customs performance of importers and exporters. At present, it is possible to receive certification by application from importers and exporters. As of June 2020, there are 40 certified companies. The Best Trader System has been introduced as a pre-stage system for introducing the AEO system.

In this way, the Cambodian GDCE continues its efforts to facilitate trade, and the details of customs clearance at major land borders in Cambodia are discussed from as following sections.

2.1.2 Summary of Customs Export/Import Clearance Procedures

Notice of Import and Export of Goods

According to Cambodian customs law, those who importing cargo into Cambodia are to notify customs immediately under Article 10. Therefore, (1) a cargo manifest is submitted to customs in the case of sea freight and river freight cargoes, (2) Airway Bill for air cargoes, and (3) cross-border request with truck bill for land border crossing cargoes. When exporting cargo from Cambodia, it is supposed to submit an export declaration to customs under the Article 16 of customs law.

In the case of import, the cargoes enter the supervision of customs after arriving in Cambodia, and import customs clearance is carried out at Dry Ports, SEZ, etc., but in the case of export the cargo enters under the supervision of customs after export declaration is made till it is sent out to a foreign country.

Import and export cargo that passes through land borders is subject to customs supervision along with vehicles such as trucks, which are the means of transport.

Dry Port and Special Economic Zone (SEZ)

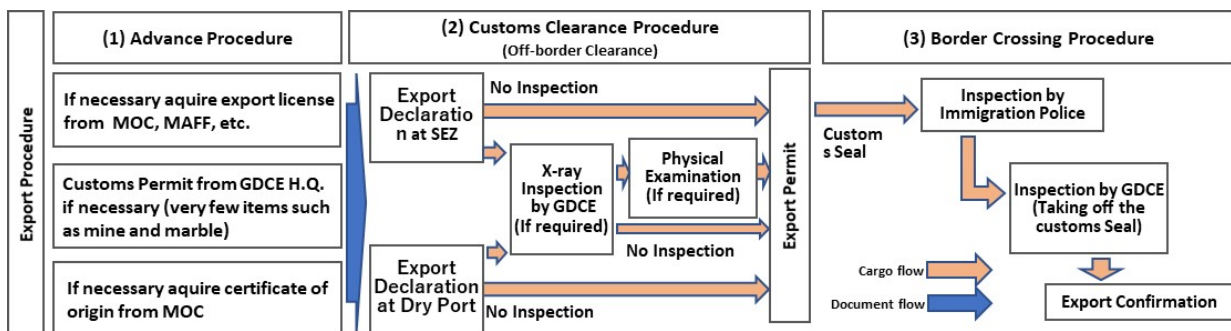
A Dry Port is a private facility at inland with the same functions as a seaport, and it has functions including cargo transshipment and warehouse. In addition to the vicinity of the land border, Cambodia has several installations near Phnom Penh inland. Article 43 of the Cambodian customs law stipulates the Customs Temporary Storage Facility, which sets out the installation criteria in PRAKAS No. 106 (dated February 15, 2008). The facility can be translated as a temporary customs storage area, but the name differs depending on the purpose of use from Dry Port, Inland Container Depo (ICD), etc.

SEZ is an economic zone approved by the Cambodian Development Council (CDC), and investment incentives can be received by obtaining Qualified Investment Project (QIP) by being certified by the CDC. As a result, primary materials for the production of export cargo can be imported duty-free. The SEZ also has an office that provides customs clearance procedures and Ministry of Commerce (MOC) issuance of certificates of origin. Since the company in a SEZ is a company authorized by the CDC, customs recognize it as a company with a high awareness of legal compliance.

Customs offices are not installed in all Dry Ports and SEZs, however there are limited to relatively large facilities. Small facilities have a simple customs station only, and staff are dispatched from neighboring offices to conduct inspections as necessary.

Overview of Export Customs Clearance Procedures

The outline of export customs clearance procedures at major land borders is as shown in Figure 2.1 below, and there are three stages of advance procedures, export customs clearance procedures, and border crossing procedures, and the outline of the specific procedures is as shown in Table 2.2. Export customs clearance facilities are roughly divided into SEZ and Dry Ports, but the export customs clearance procedures are almost the same. Besides the customs clearance conducts at the warehouses of exporters as well. In SEZ, it is possible to obtain the certificate of origin issued by MOC.



Source: JICA Survey Team

Figure 2.1 Flow of Export Customs Clearance Procedures from Cambodia

Table 2.2 Overview of Export Customs Clearance Procedures at Major Land Borders

Flow of Export Procedures		
(1)	Advance Procedures	<ul style="list-style-type: none"> For goods that require an export permit or license, the exporter or customs broker must obtain an export permit and license from the relevant ministries and agencies in advance. In case the customs permit is necessary, the applicant submit the required document to declare at GECE H.Q. Obtain a certificate of origin from the Ministry of Commerce if required by the export destination.
(2)	Export clearance Procedures	<ul style="list-style-type: none"> The exporter or customs broker enters the export declaration information into ASYCUDA and submits the export declaration form to the customs office at SEZ or Dry Port. If selected for customs inspection, the cargo is transported to the X-Lay inspection site and/or door opening inspection upon the necessity. After obtaining an export license, GDCE puts the customs seals on the cargo and transport to the border.
(3)	Border crossing procedures	<ul style="list-style-type: none"> The truck is checked by the immigration police to see if a cross-border request has been submitted at the border facility entrance. Customs confirms export cargo has arrived at the border and removes the customs seal Customs confirms trucks and cargo left Cambodia and headed for the other country (Export Confirmation)

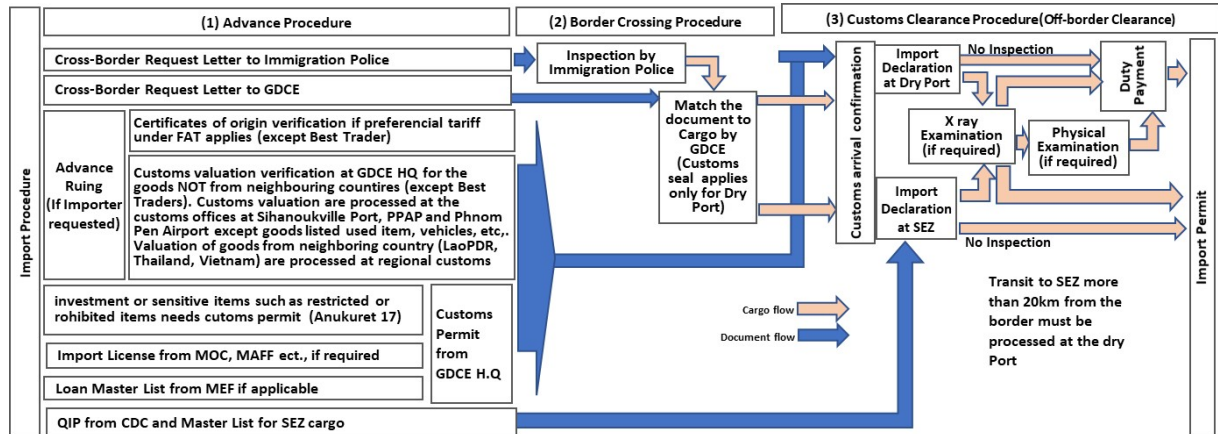
Source: JICA Survey Team

Overview of Import Customs Clearance Procedures

Import customs clearance procedures in Cambodia are based solely on cargo confirmation for border crossing procedures, and import declarations are made after cargo is stored in Dry Ports and SEZ near the border (Off-Border Clearance). Since import declarations after Dry Port storage are processed at the customs office at the border, customs brokers need to make several round trips between the Dry Port and the customs office for customs clearance. Shipments imported by SEZ are conveniently handled by importers because customs clearance is processed at the customs office in SEZ, however not all SEZ have customs clearance offices.

The procedure for moving cargo from the border to Dry Port or SEZ could be permitted by submission of Cross-Border Request Letter to the customs office.

In case the cargo needs to transport from the border to remote Dry Port or SEZ, the procedure has been improved by using the internet with the e-Customs system from 2020, and it is sufficient to submit the necessary documents by uploading copies to the system, the private sector appreciates its improvement. The outline of the flow of import customs clearance procedures at major land borders is as shown in Figure 2.2 below, and the outline of the procedures is as shown in Table 2.3.



Source: JICA Survey Team

Figure 2.2 Flow of Import Customs Clearance Procedures to Cambodia

Table 2.3 Overview of Import Customs Clearance Procedures at Major Land Borders

Flow of Import Procedures		
(1)	Advance Procedures	<ul style="list-style-type: none"> Importers can receive customs ruling on the classification of imported goods, customs valuation, and certificates of origin at the GDCE main office if they wish. Apply to the Cambodian Development Council or the Ministry of Economy and Finance to obtain a master list when importing apply for duty exemption on goods for qualified investment projects, grant aid investment projects, public investment loans, etc. For those goods that require an import license, obtain it at the relevant ministries and agencies in advance <ul style="list-style-type: none"> If you need to make valuation declaration or examination of certificate of origin, apply it to GECE H.Q. in advance except Best Trader Valuation declaration for dealing with the neighboring country is available at the customs office at border.
(2)	Border crossing procedures	<ul style="list-style-type: none"> Customs brokers must submit a cross-border request letter to the Immigration Police and Customs before the truck arrives at the Cambodian border. When transporting to SEZ, submit a cross-border request to the customs authorities after receiving confirmation of the cross-border request to the customs authorities having jurisdiction over the SEZ. The truck is required to confirm to the immigration police whether the cross-border request letter is submitted at the border entrance, then proceed to customs. The truck receives confirmation of the cross-border request letter submitted to customs and the confirmation with the invoice and packing list, etc. about the cargo prepared by the customs broker will be conducted. The customs broker presents the cargo documents to the customs authorities and customs office put the customs seal on the cargo for transport to Dry Port, or SEZ. Customs seals cargo and allows transit to Dry Port Customs seals are omitted when transporting to SEZ within 20km of the border, but when transported to SEZ in remote areas such as Phnom Penh customs seal will be applied.
(3)	Customs clearance procedures	<ul style="list-style-type: none"> When the shipment arrives at the Dry Port or SEZ, contact customs for confirmation and remove the seal Enter import declaration information into ASYCUDA and file an import declaration on the SEZ customs or customs office in charge of the Dry Port If a large X-ray inspection is required by customs, the cargo is moved to a large X-ray inspection device for inspection. The cargo has opening door inspection upon the request. Import is allowed after duty payment

Source: JICA Survey Team

2.1.3 Pre-Import/Export Procedures

In order to conduct import and export business in Cambodia, it is necessary to complete the procedures of corporate establishment. Pre-clearance procedure for import/export customs clearance is explained as below.

In general, there are import and export licenses procedures managed by the relevant ministries and agencies. In the case of Cambodia, the following pre-customs clearance procedures are required at customs.

(1) Valuation Procedure

The valuation declaration is a procedure prior to the import declaration defined by GDCE. The import declaration price is calculated based on Article 18 of the Customs Law and PRAKAS No. 387MEF (dated May 22, 2008, Customs Valuation of Imported Goods). This system was introduced as a way to compensate for the lack of customs assessment knowledge in local customs when Cambodia first joined the WTO. After that, GDCE tried to conduct valuation declaration at the local customs office, however they were not able to conduct the valuation declaration properly, and GDCE repeated the transfer of work several times, such as returning the examination office at the main GDCE office. In addition, in the valuation declaration, the classification of the goods is examined at the same time. At the time of the interview survey (as of January 2022), the customs offices of Sihanoukville Port, Phnom Penh Airport, and Phnom Penh Autonomous Port process valuation declarations. In the importer certified as Best Trader, they could define the price and item classification without valuation procedure. Furthermore, valuation procedure is able to conduct at the customs border office in case the import from neighboring countries such as Lao PDR, Thailand and Vietnam.

It must be noted that, there are exceptions to valuation declarations at local customs. The following seven types of cargo must obtain the customs permit at the GDCE in Phnom Penh. Best Traders are also required to obtain a customs permit.

- All vehicles, ships, ferries, boats and all related equipment
- Telecommunication equipment, materials and all related equipment
- All second-hand goods
- Casino equipment, materials and other related equipment
- Petroleum products and other related products
- Medical equipment and pharmaceutical products
- All restricted and prohibited goods, which are listed in the sub-degree 17¹

Regarding the valuation declaration procedure, it is prepared in the e-Customs system and submitted to the customs with an invoice, packing list, B/L. Then the customs will review it within 1-2 business days and issues the examination certificate. Depending on the contents of the declaration, submission of the sales contract, purchase order, remittance documents might be required. If there is dissatisfaction with the decision of customs, a complaint can be addressed. The results could be found in the local customs office by Customs Valuation Database System (CVDS). Since the result

¹ ANUKRET ON THE PROMULGATION OF THE LIST OF PROHIBITED AND RESTRICTED GOODS (26 Feb. 2020)

could be applied the import declaration by ASYCUDA automatically, submission of the original document of certificate to the local office is unnecessary.

(2) Preliminary Examination of Certificate of Origin

All certificates of origin attached to the import declaration must be confirmed by the GDCE in Phnom Penh and issued the examination certificate. However, if Form-D under the ASEAN Trade in Goods Agreement (ATIGA) has been submitted electronically by the ASEAN Single Window, there is no need for pre-verification. Importers certified as best traders are also exempted from pre-verification.

(3) Obtaining Customs Permit

It is necessary to obtain a Customs Permit at the GDCE for the imported goods subject to the following tax reduction or exemptions. As a filing procedure, apply to the GDCE with the invoice, packing list, and B/L of the cargo to be imported, along with the Master List obtained from the government office (CDC and MEF) that has jurisdiction over the following reduction tax exemption.

- Prohibited or restricted goods
- A shipment that can be imported tax-free for use by the Master List issued by Cambodian Development Council as a grant aid investment project, or a goods in the Master List that can be imported duty-free by loan under the framework of public investment by the Ministry of Economy and Finance (master list) that need to be confirmed if the goods is in the Master List.
- Tax-free import permits for goods imported by bilateral, multilateral, NGOs, etc. through grant aid, loans, etc. that need to be confirmed if the document is issued by the Cambodian Development Council.
- In the case of duty exempt for Foreign diplomatic or Consular missions, international organization and Technical Cooperation Agencies of other Governments, a goods that requires duty exemption certificate confirmation from the Ministry of Foreign Affairs of Cambodia, international organizations, etc.
- Goods approved by the Ministry of Economy, Finance, for duty-free import applications for moving cargo (excluding vehicles)
- Since the result could be applied the import declaration by ASYCUDA automatically, submission of the original document of certificate to the local office is unnecessary.

(4) Advance Ruling System

In case the applicant is concerned about the interpretation of the HS classification, customs valuation, and origin certification of imported goods, a system that allows you to receive advance ruling from the GDCE is introduced in January 2013, and if you apply before the import declaration, you will be able to get a ruling within 30 business days (customs valuation is within 90 business days).

2.1.4 Cross Border Procedure

(1) Summary

The border crossing procedures of Cambodia at the Bavet - Moc Bai borders and Poipet- Klong Luk

borders are basically the same. At the Bavet border, importers or exporters submit their cross-border request letter to the Cambodian immigration police and Cambodia customs before a truck crossing the border. Meanwhile at Poipet border the truck list needs to be submit the customs instead of the cross-border request letter. After this, the immigration police confirm the vehicle as a pre-registered vehicle, and then the driver presents his passport or ID to immigration and processes for entry/exit of Cambodia. Finally, the customs broker present cargo related documents to customs for confirmation.

In the case of import, when the truck carries the goods from the border to the Dry Port or SEZ, the goods are confirmed at the border by the customs and import declaration is carried out the Dry Port or SEZ. For remote Dry Port of SEZ, the cargo carriers to the close Dry Port and requires obtaining the permit and transit declaration by e-Transit system².

In the case of export, it is a procedure to receive confirmation of arrival of the truck at the border by the customs, remove the customs seal, and confirm that the cargo was exported across the border. The border crossing procedure is carried out by arrangement with neighboring countries, and the procedures are slightly different at each border.

(2) Bavet - Moc Bai Borders

As a countermeasure against the COVID19 in Cambodia, the trucks crossing border from Moc Bai to Bavet is taking a measure to affix medical seals of Vietnam to the driver's seat door and windows of the vehicle, preventing drivers from getting off from the truck or handing over things in Cambodia. If the seal is broken, the truck driver will be quarantined for 21 days after returning home, which will interfere with operations. Truckers carry cargo to Dry Ports and SEZ, which are about 5km from the border, and return to Vietnam. This truck entry method has been applied since April 2021, and in the COVID-19 disaster before that, cargo is delivered in three ways: 1) trucks from both countries exchange track heads in the border area, 2) transshipment of cargo in the border area, and 3) replacement of drivers in the border area. Confusion and congestion occurred in vacant land adjacent to border roads making it a chaotic situation. From January 2022, the medical seals are canceled.

Before the COVID-19 disaster, the trucks that entered the border road from the Vietnamese side, presented a "truck monitoring sheet" obtained from a Vietnamese customs broker to the immigration police checkpoint of the Cambodian side, matching with the "truck crossing request letter" submitted in advance, performing immigration procedures at the Cambodian immigration office, receiving cargo confirmation by customs. After applying the customs seal to the cargo, the trucks can go to a Dry Port or SEZ. Import customs clearance procedures are carried



Source: GDCE Bavet Office

Figure 2.3 Customs Seal on a Truck from Vietnam

² e-Transit is one of functions in e-Customs (see Table 2.1)

out in Dry Ports or SEZ, and this point remains unchanged before and after the COVID-19 disaster.

Vehicle traffic at the Bavet - Moc Bai border was as shown in Table 2.4 and was growing steadily until 2019, but traffic volume at the border decreased significantly due to the impact of the COVID-19 starting from around March 2020. Logistics were secured by transshipment of truck cargo and exchange of truck heads such as container cargo between Cambodian and Vietnamese vehicles on border roads and vacant land around the border, but it caused serious confusion. From April 2021, as mentioned above, by sealing the driver's seat and windows, Vietnamese trucks were able to enter the Dry Port or SEZ on the Cambodian side, reducing congestion. As of January 2022, cargo transport can cross the border same as previous, while passengers cannot cross the border.

Table 2.4 Vehicle Traffic Volume at the Bavet - Moc Bai Border

	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Inbound (From Moc Bai to Bavet)	Truck with container	32,618	37,309	40,115	44,784	60,494	78,672	97,233	70,392	27,615
	Truck with bulk cargo	8,583	14,270	21,532	24,683	12,420	15,737	17,553	14,077	6,783
	Sum of trucks	41,201	51,579	61,647	69,467	72,914	94,409	114,786	84,469	34,398
	Trucks Per Day/312	132	165	198	223	234	303	368	271	265
	Passenger bus	24,667	23,859	25,110	24,308	23,145	33,273	42,246	0	0
	Passenger bus Per Day/312	79	76	80	78	74	107	135	0	0
	Inbound traffic Total	65,868	75,438	86,757	93,775	96,059	127,682	157,032	84,469	34,398
	Traffic Per day/312	211	242	278	301	308	409	503	271	265
Outbound (From Bavet to Moc Bai)	Trucks with container cargo	9,800	11,947	12,800	15,276	17,641	20,198	25,333	30,738	13,117
	Trucks with bulk cargo	1,943	2,590	2,693	3,335	4,268	4,451	5,179	4,040	1,314
	Sum of trucks	11,743	14,537	15,493	18,611	21,909	24,649	30,512	34,778	14,431
	Trucks Per Day/312	38	47	50	60	70	79	98	111	46
	Passenger Bus	24,615	22,793	25,002	24,290	22,982	33,072	42,490	0	0
	Passenger bus Per Day/312	79	73	80	78	74	106	136	0	0
	Outbound traffic per day/312	36,358	37,330	40,495	42,901	44,891	57,721	73,002	34,778	14,431
	Traffic Per day/312	117	120	130	138	144	185	234	111	111

Note: Year 2021 counts only from January to May.

The figure does not include the number of empty cargo and empty container trucks.

Trucks per Day/312 shows the traffic volume per day except Sundays and new year day (312days = 365 days – 52


Sundays -1 new year day)

Source: JICA Survey Team based on the data from GDCE

The flow of border crossing procedures for imports (inbound) and exports (outbound) at the Bavet border is shown in Tables 2.5 and 2.6.

Table 2.5 Flow of the Bavet Border Crossing Procedure (Import: Inbound)

Type of Procedure	Flow of Import Procedure	Remarks
Advance Procedure	<ul style="list-style-type: none"> Cambodian customs brokers submit and confirm their truck cross border request letter to the immigration police and customs before the truck arrives on the Cambodian border entry gate and take this document to immigration police checkpoint and border customs checkpoint When transporting cargo to the SEZ, after receiving confirmation of the cross-border request letter to the customs authorities having jurisdiction over the SEZ, 	Advance submission of cross-border request letter on trucks is also necessary under the COVID-19 environment.

Type of Procedure	Flow of Import Procedure	Remarks
	submit a cross-border request to Bavet Customs, receive confirmation, and bring the documents to the checkpoint of customs at the border.	
Border Crossing Procedure	<ul style="list-style-type: none"> Truck driver comes from Vietnam has confirmation at the border entrance by submission of "Truck Monitoring Sheet" prepared by the customs broker in Vietnam. Immigration police check with "Cross-border Request Letter" and provide the permission. 	<p>Under the situation of COVID-19, truck drivers were unable to open the windows of vehicles and could not hand over the truck monitoring sheet at the border.</p> <p>From January 2022, the ordinary procedure has been back however the details are not confirmed.</p>
	<ul style="list-style-type: none"> Perform immigration procedures for truck drivers 	In the COVID-19 environment truck driver immigration procedures has been omitted by guaranteeing the identity of truck drivers by customs brokers.
	<ul style="list-style-type: none"> Truck drivers meet Cambodian customs brokers at border customs checkpoint. 	
	<ul style="list-style-type: none"> The customs broker receives confirmation of the cross-border request letter submitted to customs, presents the documents related to the cargo. In case the truck goes to Dry Port, the cargo applies the customs seal and transport to Dry Port. If the cargo goes to SEZ within 20km from the border area, the customs seal is omitted. In case the truck goes to remote Dry Port or SEZ, the cargo has the customs seal and take transit declaration at Dry Port near the border 	 <p>Customs seals are cylinder-type and cost \$2 each.</p>
	<ul style="list-style-type: none"> Sanitization of truck 	Sanitization is carrying out in response to the COVID-19 environment, and the sanitization of the truck had not been done before the COVID-19.

Source: JICA Survey Team

Table 2.6 Flow of The Bavet Border Crossing Procedure (Export: Outbound)

Type of Procedure	Flow of Export Procedure	Remarks
Advance Procedure	<ul style="list-style-type: none"> Truck driver obtains "Application for Exit" from Dry Port or SEZ, or the export declaration copy from the customs broker, then goes to the border 	
Border Crossing Procedure	<ul style="list-style-type: none"> The truck enters the border after confirming "Application for Exit" by the immigration police 	In the case of empty trucks and empty containers, "Application for Exit" is unnecessary

Type of Procedure	Flow of Export Procedure	Remarks
	<ul style="list-style-type: none"> Truck drivers go through immigration procedures 	Under the COVID-19 environment this procedure is omitted.
	<ul style="list-style-type: none"> Check the arrival of the cargo to the border by customs, remove the customs seal, and confirm the export (confirm that the truck and cargo left Cambodia and headed for Vietnam) 	

Source: JICA Survey Team

(3) Poipet Klong Luk Border

The characteristics of truck border crossing procedures at the Poipet - Klong Luk border is that truck and truck driver related documents (passport copies, driver's licenses, truck registration certificates, road tax certificates in Thailand, etc.) are submitted to Cambodian immigration police at the border, and instead a "temporary letter for the truck driver from Thailand" is issued to move around Cambodia. When the truck returns to Thailand, the driver returns the temporary cross-border permit and receive the submitted documents, entrusted to ensure that the truck returns to Thailand within the prescribed time. Thai Trucks' stay in Cambodia is limited to 24 hours due to restrictions on the COVID-19. Before the COVID-19, the time limit of stay of trucks in Cambodia was one week, and cargo could be transported to Phnom Penh, but in the current situation of the COVID-19, cargo needs to be transhipped at a Dry Port in Poipet.

Although the truck transports from Cambodia to Thailand (outbound) passing through the Poipet - Klong Luk border is about the same as that of inbound vehicles from Thailand to Cambodia, the number of trucks loaded with export cargo is small according to Thai Customs. The import declaration is about 30 cases per day, and most of the trucks are empty containers.

On the other hand, there are many imported cargoes from Thailand, and at the time of the survey, the average number of trucks is about 200 units per day (it sometimes reached about 400 units per day at the peak before the COVID-19 according to the interview survey). The type of cargo is that containerized cargo is small and bulk cargo trucks are large in number. The containerized cargo has been transited through seaports from countries other than Thailand. On the other hand, imported cargo from Thailand is often transported by bulk trucks.

The annual vehicle traffic at the Poipet - Klong Luk border is as shown in Table 2.7, however this figure does not include the number of empty containers and empty trucks. The data has not been taken so far. However, the number of empty trucks is the same in inbound and outbound since the inbound truck with cargo usually goes back as empty trucks. Comparing the data, traffic volume was growing steadily, however inbound truck decreased due to the influence of the COVID-19.

Table 2.7 Vehicle Traffic at the Poipet - Klong Luk Border

unit: vehicle

	Year	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Inbound (From Klonngluk to Poipet)	Truck with container	2,866	5,616	5,271	n.a.	n.a.	20,913	23,178	24,150	8,303
	Truck with bulk cargo	n.a.			n.a.	n.a.	60,844	57,699	40,554	13,554
	Sum of trucks	2,866	5,616	5,271	0	0	81,757	80,877	64,704	21,857
	Trucks Per Day/312	9	18	17	0	0	262	259	207	70
	Passenger bus	n.a.	n.a.	n.a.	n.a.	n.a.	6,483	5,493	314	0
	Private vehicle	n.a.	n.a.	n.a.	n.a.	n.a.	0	956	323	0
	Sum of bus and vehicle	0	0	0	0	0	6,483	6,449	637	0
	Inbound traffic Total	2,866	5,616	5,271	0	0	88,240	87,326	65,341	21,857
	Traffic Per day/312						283	280	209	70
Outbound (From Poipet to Klonngluk)	Trucks with container cargo	n.a.			n.a.	n.a.	13	353	441	138
	Trucks with bulk cargo	n.a.	n.a.	n.a.	n.a.	n.a.	6,175	5,569	6,009	2,011
	Sum of trucks	0	0	0	0	0	6,188	5,922	6,450	2,149
	Trucks Per Day/312	0	0	0	0	0	20	19	21	7
	Passenger Bus	n.a.	n.a.	n.a.	n.a.	n.a.	6,589	5,007	216	0
	Private vehicle	n.a.	n.a.	n.a.	n.a.	n.a.	0	1,058	349	0
	Sum of bus and vehicle	0	0	0	0	0	6,589	6,065	565	0
	Outbound traffic per day/312						12,777	10,929	6,666	2,149
Traffic Per day/312						41	35	21	7	

Note: Year 2021 counts only from January to April.

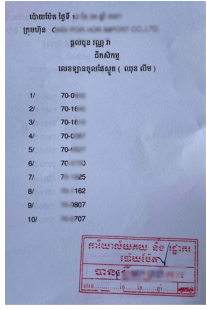
The figure does not include the number of empty cargo and empty container trucks.


Trucks per Day/312 shows the traffic volume per day except Sundays and new year day (312days = 365 days – 52 Sundays -1 new year day)

Source: JICA Survey Team based on the data from GDCE

Since the cargo imported from Thailand is the main cargo of the Poipet border, the trucks are arranged and transported by Thai exporters. Therefore, license plate vehicles in Thailand (vehicle registration in Thailand) account for the majority. Since Thai trucks carry Cambodian export cargo to avoid way back with empty, demand of Cambodian trucks carrying out the cargo in Thailand is not large.

Table 2.8 Flow of Inbound Border Crossing Procedures at Poipet Border

Type of Procedure	Flow of Import Procedure	Remarks
Advance Procedure	<ul style="list-style-type: none"> Customs broker in Thai tell the vehicle number to a customs broker in Cambodia by using apps such as LINE 	
	<ul style="list-style-type: none"> Customs broker in Cambodia submit Truck List to GDCE before truck arrive at the border Customs Poipet Office receive Truck List The customs broker submits the copy of Truck List to Thai customs broker by using apps such as LINE Truck List provide the permission to the trucks enter into the Cambodia border 	 <p>Sample of Truck List</p>

Type of Procedure	Flow of Import Procedure	Remarks
	<ul style="list-style-type: none"> The customs broker has confirmation by GDCE Poipet office by issuing "Border-crossing Approval Letter" which is necessary for transport to Dry Port from the border All of the trucks from Thailand need to have "Border-crossing Approval Letter" There are two Dry Ports: Chhun Lim Dry Port and PVC Dry Port The cargo for SEZ needs to take same procedure above with "Border-crossing Approval Letter" and goes to Dry Port before transport to the SEZ. 	 <p>Sample of Border-crossing Approval Letter</p>
Border Crossing Procedure	<ul style="list-style-type: none"> Under COVID-19 situation, all truck drivers are obligated to wear the mask and to have temperature check by Ministry of Health For each truck needs to have "temporary permission letter for the truck driver from Thailand" issued by depositing the ID, driving license and tax payment slip from Immigration Police. Customs brokers show "Border-crossing Approval Letter" and have confirmation by the customs office Truck with cargo goes to Dry Port In case the cargo declares at Dry Port, customs declaration will be made by using ASYCUDA at the Dry Port. If ASYCUDA judge the necessity of inspection, trucks need to go to X-Ray examination station In case truck goes to SEZ/Dry Port or designated bond warehouse outside Poipet, the cargo needs to submit transit declaration by using e-Transit and to have the customs seal then goes to the destination. In case truck goes to SEZ in Poipet, transit declaration is necessary at Poipet customs Bulk cargo which cannot apply the customs seal transport will be escorted by the customs officers Truck is required to change the truckheads or transship to Cambodia truck at Dry Port 	Under COVID-19 situation, the submission of document is exempt, but driver's passport needs to deposit at the border.

Source: JICA Survey Team

Table 2.9 Flow of Outbound Border Crossing Procedures in Poipet

Type of Procedure	Flow of Export Procedure	Remarks
Advance Procedure	<ul style="list-style-type: none"> Truck driver obtains "Application for Exit" from Dry Port or SEZ, or the copy of export declaration from the customs broker, then goes to the border 	
Border Crossing Procedure	<ul style="list-style-type: none"> Truck drivers return the "temporary permission letter for the truck driver from Thailand" to the immigration police at the exit gate and receive his/her passport and relevant documents deposited upon entry Check the arrival of the cargo by border customs, remove the customs seal, and confirm the export (confirm that the truck and cargo left Cambodia and headed for Thailand) 	

Source: JICA Survey Team

(4) Stung Bot - Nong Ian Border



Source: JICA Survey Team based on the Google Earth

Figure 2.4 Major Customs Facilities in Poipet

In February 2016, Cambodia's MEF and Thailand's Neighboring Countries Economic Development Cooperation Agency (NEDA) signed a loan agreement, and the construction was approved by NEDA in April 2020 to build the Stan Bot - Nong Ian border.

Initially, the work was progressing with the aim of completion in April 2022, however now there is a delay in work due to COVID-19 influence, and construction of the entire facilities plans to complete in 2023. Construction was made as MPWT's Stung Bot Border Crossing Facilities (STB BCF) Project under the supervision of MPWT's Project Management Unit, the team with Consulting Engineering and Management Co. Ltd. as a consultant, CM Grand Development Co. Ltd JV with Tan Kim Eng Co. Ltd. is being promoted as a contractor.

The Poipet - Klong Luk border has been heavily congested before the influence of COVID-19, there were strong requests from the private sector for a soft opening for Stung Bot – Ban Nong Ian border, which allow the Stung Bot border bridge to cross borders earlier than the completion of the Stung Bot border facility. MPWT is aiming for soft opening (traffic for cargo vehicles only). In the soft opening, the Cambodian government's budget has established a route for trucks to move, such as the red arrow dotted line in Figure 2.6, and roads for soft opening has been completed, and as of November 2021, roads have been completed. The issue of drainage was solved at this moment.



Source: JICA Survey Team

Figure 2.5 Road Construction near Poipet Border

ក្រសួងសាធារណការ និង ដឹកជញ្ជូន
 Ministry of Public Works and Transport, MPWT

គម្រោងប្រតិបត្តិការសាងសង់ប្រព័ន្ធគ្រប់គ្រងចរាចរណ៍ និងផ្លូវទៅរកដង្កោ
 Construction of Stung Bot Border Crossing Facilities and Access Road to NR5

Status of Detour Temporary Route Project

- Scope of Works**
 - ✓ Total length L=4 025m
 - ✓ Width W=8m
 - ✓ Surface type DBST
 - ✓ Box culvert 08 nos
 - ✓ Road furniture
 - Road marking 1 402m²
 - Road sign 38 nos
 - Guidepost 84 nos
- Implemented by** B. Chey DPWT
- Consultant** RID/MPWT
- Source of Fund** National Budget
- Budget** 4 301 mil.Riels
- Physical Progress**
 - 38% in Jan, 2021
 - 64% in Feb, 2021
 - 72% in Mar, 2021
 - 77% in Apr, 2021
 - 87% in May**

Existing Earth Road
 AREA 93.500 ha.
 AREA 8.795 ha.
 AREA 84.705 ha.
 Check Point
 ពិន្ទុត្រួតពិនិត្យ (គយចរាចរណ៍)
 Border Post Building Construction Area
 National Road no.5
 Existing Earth Road
 Newly Constructed Bridge
 STUNG BOT PROJECT
 ITTING OUT
 UPDATE 31 AUG. 2016

Source: MPWT

Figure 2.6 Detour Road for Soft Open

The customs procedures, between the time of the soft opening and the official operation of the Stung Bot border plan to be taken as follows: container offices (temporary customs offices) shall be prepared both detour roads and check point, and customs clearance procedures will be carried out at Dry Ports or SEZ by the customs as usual.

Facility Operation Plan after Stung Bot Border Officially Operational

Although the official operation plan of the facility has not yet been announced, according to the layout of the facility, six lanes of cross-border procedures have been secured on one side, and cargo inspection facilities for both import and export are designed. Since the plan includes to introduce SSI/CCA, it is expected to become a modern facility.



Source: MPWT

Figure 2.7 Plan of Stung Bot Border

(5) O Niang – Parai Border

The construction of a border facility is underway in Parai on the Thai side. On the other hand, there was a plan to build SEZ in the O Niang region on the Cambodian side around 2008. It seems that the tenant contract was signed with the two companies, but further progress could not be confirmed in this survey. There was also no plan to build a border facility on the Cambodian side.



Source: JICA Survey Team based on Google Map

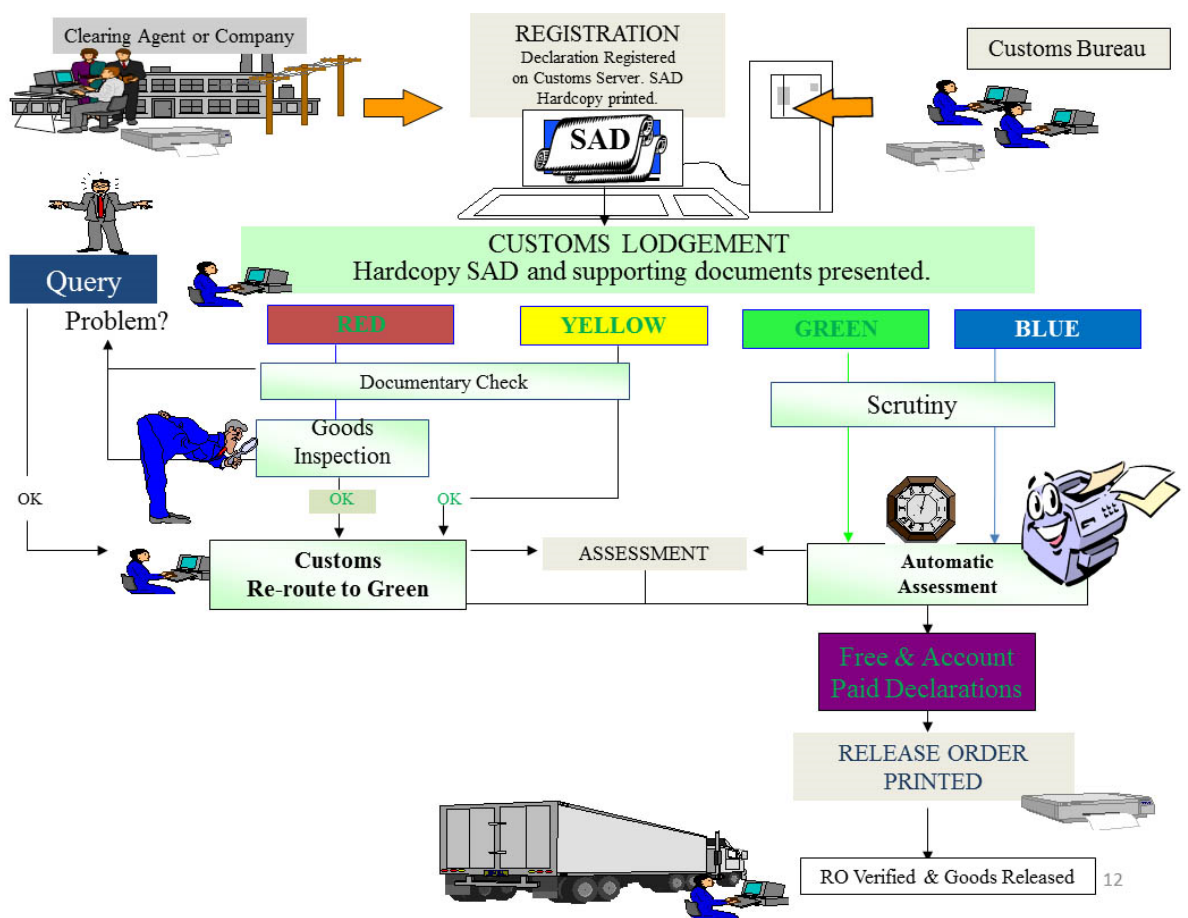
Figure 2.8 Parai Border Facility under Construction in Thai Side

2.1.5 Import and Export Customs Clearance Procedures

The customs clearance procedures for import and export cargo in Cambodia are basically the same at any customs office. It consists of advance customs clearance and import/export customs

clearance that takes place after the cargo has been delivered to a Dry Port or SEZ. Since the advance customs clearance procedure was explained in "2.1.3 Pre-Import/Export Procedures", the import and export customs clearance procedures will be explained here.

In import and export declarations, customs information can be filed by entering customs information and sending it to customs in the Single Administrative Document (SAD: Single Administrative Document) of ASYCUDA, a customs clearance system, along with import and export licenses, invoices, packing lists, B/L, etc. obtained through pre-clearance. ASYCUDA can be connected from the internet by registering with customs in advance and obtaining an ID. In addition, each customs office has an ASYCUDA data center, and the applicants can go to customs and enter data into ASYCUDA. Figure 2.7 below shows the flow of declaration procedures by ASYCUDA.



Source: GDCE

Figure 2.9 Customs Clearance Flow by ASYCUDA³

Table 2.10 below explains the flow of import customs clearance procedures, and Table 2.11 explains the flow of export customs clearance.

³ GDCE Website: <https://customs.gov.kh/en/customs-procedures/3473-customs-automation?ref=392#&gid=1&pid=1>

Table 2.10 Flow of Import Customs Clearance Procedures

Type of Procedure	Flow of Customs Clearance Procedure	Remarks
Advance Procedure	<ul style="list-style-type: none"> Importer or customs broker prepares the import license to relevant ministries before customs declaration, if necessary 	
Import Procedure	<ul style="list-style-type: none"> Importer or customs broker contacts to GDCE for taking off the customs seal after arriving the carto at SEZ/Dry Port 	
	<ul style="list-style-type: none"> Custom broker input the necessary data on ASYCUDA and submit it to GDCE Declaration is available by internet. Branch offices of GDCE have computer data center for ASYCUDA data input as well 	
	<ul style="list-style-type: none"> Customs broker prints out the declaration documents and submit to GDCE with other necessary documents. 	<ul style="list-style-type: none"> Documents <ul style="list-style-type: none"> ✓ Invoice ✓ Packing List ✓ B/L, Truck Bill ✓ Container List ✓ Customs Permit ✓ Copy of tax payment slip ✓ Copy of company registration ✓ Copy of customs broker Registration ✓ Copt of ID
	<ul style="list-style-type: none"> GDCE check the submitted document by Face Vetting. In case the documents are not enough, GDCE does not accept it till it is ready. 	
	<ul style="list-style-type: none"> After acceptance the declaration, GDCE does risk assessment by CRMDS. The risk is judged into four types: Red, Yellow, Green and Blue. Blue takes same procedure as Green at the border. The result could be found in the screen at the customs office or ASYCUDA by online. 	
	Import Declaration Procedure	<ul style="list-style-type: none"> When it is red, trucks need to go to X-Ray Inspection center and take inspection by the GDCE. The trucks are required to opening the container door upon necessity.
<ul style="list-style-type: none"> Customs broker needs to explain to Query Desk in case the document has errors and amend the document. 		
<ul style="list-style-type: none"> After checking the document and inspection, ASYCUDA calculate the amount of duty and fees and issues the Notice of Assessment 		
<ul style="list-style-type: none"> Duty payment needs to be carried out at the bank and submit the receipt to GDCE. It is also available to use e-Payment system. 		
<ul style="list-style-type: none"> GDCE issue Cargo Release Note after confirmation of tax payment 		
<ul style="list-style-type: none"> Customs broker shows Cargo Release Note to the staff at SEZ/Dry Port and releases the cargo 		

Source: JICA Survey Team

Table 2.11 Flow of Export Customs Clearance Procedures

Type of Procedure	Flow of Customs Clearance Procedure	Remarks
Advance Procedure	<ul style="list-style-type: none"> Exporter or customs broker prepares the export license if needed, to relevant ministries before customs declaration 	
	<ul style="list-style-type: none"> Export declaration is carried out at SEZ/Dry Port. In case the exporter has the permission, they can do it in their factory or production base. 	

Export Declaration Procedure	<ul style="list-style-type: none"> • Customs broker input the necessary data on ASYCUDA and send it • Declaration is available by internet. Offices of GDCE have computer for ASYCUDA as well 	
	<ul style="list-style-type: none"> • Customs broker prints out the declaration documents and submit to GDCE with other necessary documents. 	<ul style="list-style-type: none"> • Documents <ul style="list-style-type: none"> ✓ Invoice ✓ Packing List ✓ B/L, Truck Bill ✓ Container List ✓ Copy of tax payment slip ✓ Copy of company registration ✓ Copy of customs broker Registration ✓ Copy of ID
	<ul style="list-style-type: none"> • After submission of the document, the examination result is announced in TV monitor at GDCE office 	
	<ul style="list-style-type: none"> • After obtaining export permit, transport the cargo to the border with the customs seal 	
	<ul style="list-style-type: none"> • After arriving at the border, GDCE takes off the customs seal and confirm departure of the cargo from Cambodia 	

Source: JICA Survey Team

2.2 Border Management

2.2.1 Opening Time of the Border

There are three kinds of concepts in the opening time of the border.

Time to Enter and Exit the Border

Bavet and Poipet borders are open from 6 a.m. to 10 p.m. The immigration policies are in charge of opening and closing the border gates, to be more precise opening and closing the gates of the border and preventing vehicles entering outside the opening hours. Therefore, vehicles such as trucks will wait on the road leading to the border until the gate opens.

Time at Which Vehicles, Trucks, and People can Enter the Other Country at the Border

The agreement between the two countries across the border sets the time for trucks and vehicles to advance to the other country. For example, in the case of Bavet inbound (entering the Cambodian side from the Vietnamese side), fresh food can proceed to the border road from 6:00 a.m. in the early morning, however general cargo vehicles could not enter the Cambodian side after 10:00 a.m. before the expansion of COVID-19. From late 2021, cargo vehicles can enter from 6:00 a.m. according to the interview survey. Nonetheless, the local vehicle with fresh foods seems to be given the priority to cross the border first, then the ordinary cargo trucks are able to pass later. For empty containers were no limit to the entry time.

In Poipet, Thai police have only allowed to enter the border road after 10:00 a.m. before the expansion of COVID-19. On the other hand, company A's materials for Phnom Penh SEZ are allowed to pass around 7:00 a.m., so it seems that it is possible to pass if there is some prior agreement.

There is no special time limit for outbound vehicle entry into the border (for Vietnam and Thailand). At Poipet border, the volume of cargo trucks except for early morning exports of fresh food is limited and empty trucks are majority. All of the trucks that came into Cambodia is required to return back to Thailand or Vietnam on the same day.

Office Working Hours

In Cambodia, the government office working hours are from 8:30 a.m. to 5:00 p.m. with a rest time for lunch. Therefore, import and export procedures cannot be carried out unless it is the government office hours, and trucks and cargo cannot be moved substantially. However, Poipet customs has set the office hours from 7:30 a.m. to 11:30 a.m. and from 1:30 p.m. to 5:30 p.m. to meet demand of early morning. Regarding the demand for work after the closure of the office, the contact phone number of the staff in charge is displayed at the reception desk, and the staff in charge has established a system to stand by, and if requested, the customs office will be opened (however, overtime office fee is required). Poipet customs X-ray inspection site is available until 10:00 p.m.

In the interview, there was an explanation that Bavet customs had a system that could respond from 6:00 a.m. to 10:00 p.m. at the border and customs clearance office. In addition, there was an explanation that the customs is actually working until after 11:00 p.m. in order to respond to trucks crossing the border by 10:00 p.m. and at X-ray inspection sites (overtime fee is required).

When requesting an after-office-hours clearance, it is generally considered that it is common to pay overtime office fees and have processing proceed, but in international logistics, cargo moves regardless of the business hours of the government office, so there is a request from the private sector to respond to it. In Japan, there was a temporary office opening system until March 2008, and when requesting cargo customs clearance outside of office hours, the customs authorities were required to secure customs clearance by paying a fee with a revenue stamp in advance. In the case of import declarations, up to 2 cases were processed in 1 hour per application, and up to 5 cases for export. With the 24-hour regular opening of customs implemented from April 2008, the shift working hours system was introduced customs abolished temporary office opening system for customs clearance operations. In the past, it was the idea of a beneficiary burden for special responses, but it has changed at the request of the times.

Table 2.12 Border Operations Hours

Type	Bavet Border	Poipet Border
Border Opening Hours	06:00 - 22:00	06:00 - 22:00
Office Opening Hours	06:00 - 22:00	07:30 - 1:30 13:30 - 17:30 Upon the request, customs work can conduct outside the office hour
Border Office Opening Hours	06:00 - 22:00	06:00 - 22:00
System (No. of officer, shift working)	Customs: 50 officers including 10 officers working in SEZ Immigration: 158 officers Shift system: 24/7 (immigration)	Customs: 51 officers Immigration: 152 officers Shift system: 24/7 (immigration)

Source: JICA Survey Team

2.2.2 Operation of Border Facilities

The border facility will be built by the Ministry of Public Works and Transport (MPWT) and will be handed over to the Ministry of interior (MOI) after completion. MOI transfers control to the provincial government where the border is located, and the state government manages the border facilities, but in effect the MOI Immigration Department's border office is in charge for maintenance. A border control committee will be established at each border, and the relevant government offices will discuss and solve the border-related issues.

2.3 Legal System for Customs Clearance and Import/Export Procedures

Customs clearance procedures for goods are stipulated in the Cambodian Customs Law, and necessary measures are stipulated for import and export clearance, such as import and export procedures in chapter 2, Articles 10 to 15 for imports, Articles 16, 17 for exports, Article 18 to 24 for tariff classification, rules of origin and customs valuation, and Articles 25 to 28 for exemption, reduction and refund of customs duties and domestic taxes. More specific procedures are stipulated in Cabinet Order (Anukret) and Ministerial Ordinance (PRAKAS), and customs laws and regulations related to customs procedures are published on the Internet website of Cambodian Customs.

The customs tariffs of Cambodia are published on the customs website and the tariffs rates are updated regularly.

2.4 Progress of NSW

2.4.1 Background and Progress of NSW

(1) Summary

National Single Window (NSW) is a centralized decision-making system for customs clearance and it allows relevant parties to submit and process data/information efficiently. In response to the continual growth of the cross-border trade operation and to ensure the efficiency and transparency of trade facilitation, Ministry of Economy and Finance (MEF) and GDCE are leading to develop Cambodia National Single Window (CNSW) system as per actual needs and feasibility.

CNSW is a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfill all import, export, and transit-related regulatory requirements, especially goods subject to the licenses, permits, certificates, and other documents issuance. The main objective of CNSW is to strengthen Government-to-Government (G2G), Government-to-Business (G2B), and Business-to-Business (B2B) interrelationships and CNSW has been developed based on National Single Window Blueprint created by the World Bank. The Blueprint is consisted of a total four phases, and it takes three and a half years to complete all phases⁴.

Phase 0 was the preparation phase. In Phase 1, CNSW was able to connect with ASYCUDA and an automated system for a certificate of origin. Further, it became a part of ASEAN Single Window

⁴ Practical schedule is veiled

(ASW) in 2018 and was able to send and receive a certificate of origin electronically.

In Phase 2, CNSW is trying to connect with the system of Ministry of Health (MOH), Ministry of Commerce (MOC), Ministry of Agriculture Forestry and Fishers (MAFF), Ministry of Industry Sciences, Technology and Innovation (MISTI) and Council for Development of Cambodia (CDC) for the purpose of exchanging certificates, permits, etc. electronically.

In Phase 3, CNSW is aiming to connect with system of all ministries and institutions and to become an established system equipped with all required functions.

(2) Progress of Phase 2 in detail

In Phase 2, the current status of the connection between CNSW and system of the five ministries is as follows. In summary, except for some areas, almost all procedures can be performed electronically, however the system is not yet popular due to lack of user training opportunities, user awareness and technical developers.

Ministry of Health (MOH)

- Online operation started in June 2021 and all procedures managed under MOH can be performed electronically. (permits can be issued via system)
- It aims to perform all procedures electronically and to not accept all paper-basis originals in the future, but relevant parties are not aware of the system.
- Given relevant parties including companies and officers of Ministry of Health are not aware of the system, increase in an opportunity of user training and user awareness is required.
- The final approval on the system can be completed in 1 business day, but the manual approval procedures take more than 10 business days.

Ministry of Commerce (MOC)

- MOC participated in NSW in 2019 and import/export licenses as well as certificates of origin managed under MOC became fully electronic.
- MOC is discussing with MAFF about the licenses for wood products.
- MOC coordinates with MEF for checking prohibit goods and licensing however MEF has not participated in NSW, some procedures still take 3 to 5 business days. The number of procedures performed on NSW is relatively small.
- Even if some procedures become electronic, it takes some time to process, sign and upload permits.⁵
- MOC is requiring technical developers.
- Certificates of origin can be issued online, but host countries determines whether they accept digital certificates of origin or not.

⁵ The original system supported by Singapore

Ministry of Agriculture Forestry and Fishers (MAFF)

- Only procedures for plant health certificate can be performed on NSW.
- MAFF is developing e-Phytosanitary system, but there is no available application.

Ministry of Industry Sciences, Technology and Innovation (MISTI)

- The digitalized procedures have been available since 2019.
- MISTI announced on May 17, 2021 that it would no longer accept all paper-based applications from December 31, 2021.
- A paper-based application takes 7 business days, but online-based application takes 5 business days.

Council for Development of Cambodia (CDC)⁶

- Since application programs are connected with NSW, online application is available, however only a few users are using the system.
- CDC is conducting user training and encouraging relevant parties to use of the system.

2.4.2 Summary of Current Status and Problems for Implementation of Phase 3

(1) IT Systems

ASYCUDA

The Automated System for Customs Data (ASYCUDA World) is an automated computerized system developed by the United Nations Conference on Trade and Development (UNCTAD) for customs administrations to manage the import/export operations. The ASYCUDA project has been started since 2006 under the financial donation from the development partners and coordinated by the World Bank through Trade Facilitation and Competitiveness Project (TFCP) and then under Trade Development Support Program (TDSP). As a result, the ASYCUDA was inaugurated as a pilot run at Sihanoukville International Port Customs and Excise Branch in May 2008. Until now, the ASYCUDA system has been expanded to 84 customs checkpoints nationwide, entirely covering all the import/export operations. Up to now, the key features of ASYCUDA include:

- Automated Customs Declaration (Import/Export)
- Cargo Release Note
- Customs Bonded Warehouse
- Vehicle Document
- Electronic Payment
- Selectivity Criteria and Customs Declaration Assessment
- Cargo Manifest

⁶ \$20 billion worth of advance import applications for QIP were expected to be approved, however about 30% (\$ 6 billion) was imported. 10% to 30% of the difference in amount between advance application and actual application is acceptable, however it tends to be more significant difference .

- User Account Management, etc.

ASYCUDA is to be connected with NSW and other systems in Phase 3.

e-Customs

The Electronic Customs System (e-Customs) has been developed to support and facilitate customs operations and supplement ASYCUDA functions on specific procedures by storing data in a standard form and reusing to produce reports as well as other statistics in the future. Up to now, the key features of e-Customs include:

- Exchange Rates Management
- Seizing Goods Management
- Customs Revenue and Burden-by-state Recording
- Check SAD Status SAD
- Transit
- Transport Documentation
- Petroleum
- Customs Stamp on Tobacco Monitoring
- Vehicle Amendment
- Transport Document on DFS Goods
- Summary Declaration
- Container Scanning Result
- e-Permit
- Existing Dutiable Goods
- Sharing X-Lay Scanning Result, etc.

Trader Credibility Management System (TCMS)

The Trader Credibility Management System (TCMS) is a system to evaluate or credit traders' compliance levels. This system has been developed and implemented dated December 2007 on the implementation of trade facilitation policy through risk management, under the Japan Customs' technical assistance. This system can be selected over 120 original risk indicators. GDCE has decided to choose 28 risk indicators to determine the risk levels from level 1 to level 5.

Customs Risk Management Database System (CRMDS)

The Customs Risk Management Database System (CRMDS) is a customs risk management system separated from the ASYCUDA. In Cambodia, customs declaration's risk level classified as "Red" in ASYCUDA will be determined more using detailed criteria and identified the targets which need physical examination. (Usually 2~6% of cargos will be determined). Currently, the CRMDS is being deployed in 10 main customs office in Cambodia, as well as at the border of Poipet and Bavet.

CRMDS has introduced in 2011 by JICA as a part of "Regional Cooperation Project on Risk

Management of Customs in the Mekong Region (2008-2011)".

Customs Valuation Database System (CVDS)

The Customs Valuation Database System (CVDS) is the new generation of Customs Valuation Statistics System (CVSS), which developed for assisting customs valuation officials in finding valuation data on commodities; finding the previously approved valuation declaration data; application of new customs valuation declaration; identifying internal procedures processing and attachment of officials' opinion letter, to improve the efficiency of customs valuation management.

Apps for Smartphone

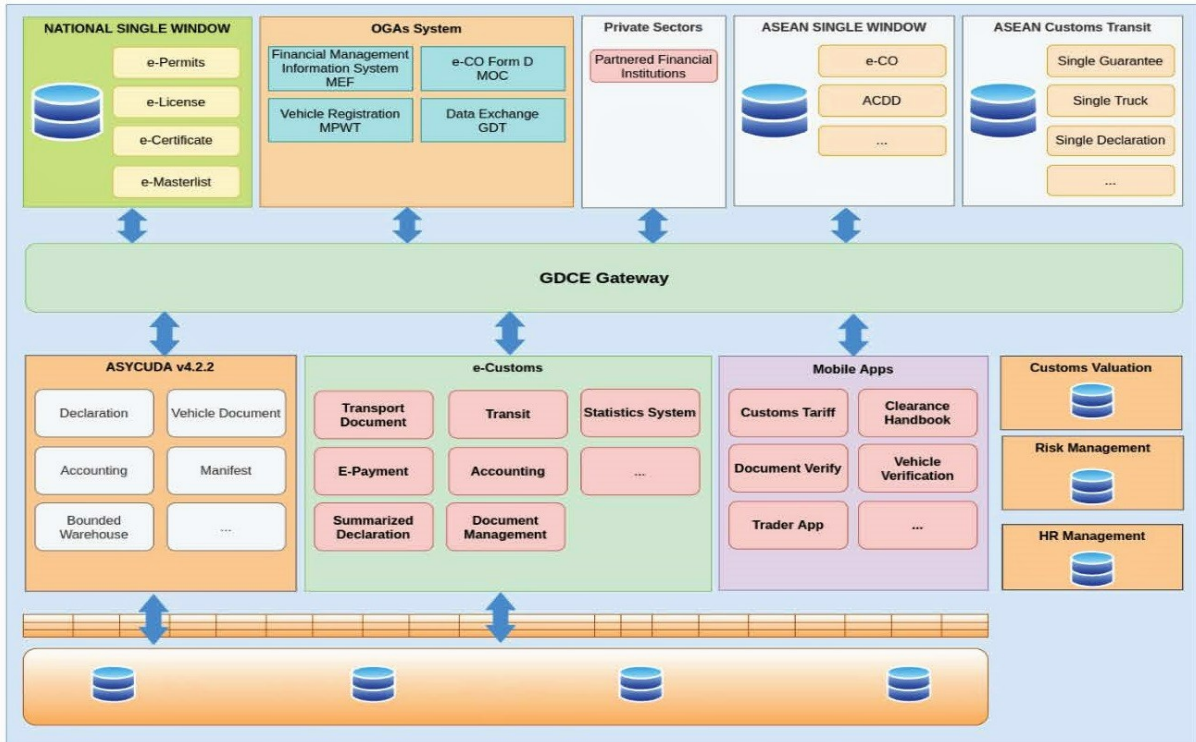
The GDCE has been developed smartphone applications to support customs clearance, As of December 2021, five applications have been formulated and released, most of them are used by government officials. Currently, there are no applications for general importers/exporters to apply for customs clearance or import/export declaration.

- Cambodia Customs Tariff 2017
- Cambodia Customs Clearance Handbook
- Cambodia Customs (only for GDCE staff)
- Cambodia Customs Trader (only for GDCE staff)
- Vehicle Document Verification (only for government staff)

(2) Status of Customs Clearance Systemization

Customs Clearance

Regarding customs clearance, procedures that can be done by the system are shown in the figure below. Physical digitization is almost complete, except for prior instruction apply to GDCE regarding classification, rules of origin, as well as trucks cross-border requests submitted to the border customs and the police.



Source: Information and Communication Technology Strategy 2020-2024, GDCE

Figure 2.10 Current IT System of GDCE

Meanwhile, ASYCUDA, e-Customs, and CVDS used for customs clearance have been linked with each other since January 2022. For example, pre-declaration to GDCE (e-Customs), import/export declaration (ASYCUDA), and transit declaration to the border (e-Customs) are continuous procedures, the customs can confirm items in each system through CVDS. However the users need to re-enter the duplicated items in each system. As mentioned, the Cross-border Request Letter has not connect with the system yet.

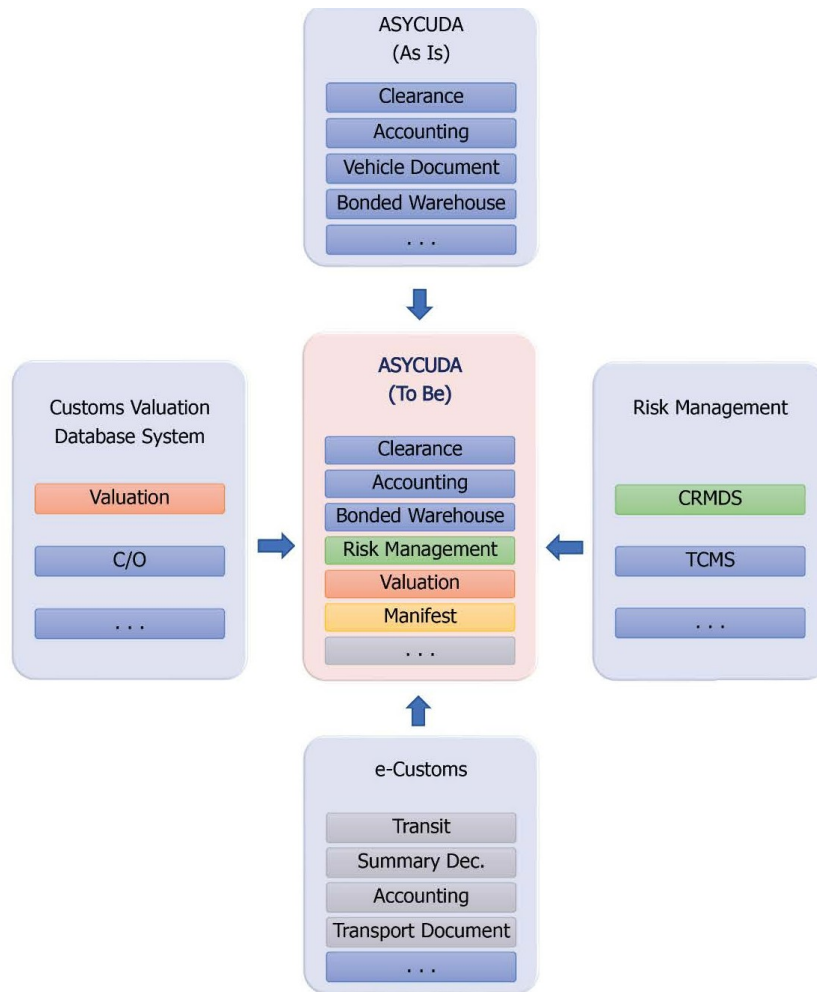
In addition, online use has not progressed due to lack of publicity to companies, and if someone chooses to use a paper form during the customs clearance procedure, it is necessary to re-enter the items even if it is the same system. (Because the previous data cannot be used in the subsequent procedures).

Risk Management

Risk management is performed by combining ASYCUDA, CRMDS, and TCMS, but there is no integration among the systems, operations and settings are required for each system.

(3) Issues Recognized by GDCE and Solutions Working on for Phase 3

Currently, ASYCUDA is a system which integrated to CNSW. ASYCUDA is a key strategic point for customs clearance system and establishment of risk management including features expansion; transferring data from e-Customs; integrating systems among all ministries and related participants.



Source: Information and Communication Technology Strategy 2020-2024, GDCE

Figure 2.11 Improvement Plan of ASYCUDA

2.4.3 Current Issues and Proposed Countermeasure Plans

Major issues and proposed countermeasures plans are as follows.

Avoidance of Duplicate Operations between Customs Clearance and Risk Management System

- Expansion of ASYCUDA (Capacity and system features expansion) makes it possible to update electronic documents, etc.
- Integrating some features of e-Customs into ASYCUDA regarding customs clearance
(Current) ASYCUDA, e-Customs, CVDS, Smartphone Applications
(Future) Transfer data from e-Customs and CVDS to ASYCUDA
- Integrating the customs risk management into ASYCUDA
(Current) ASYCUDA, CRMDS, TCMS
(Future) Integrating into ASYCUDA

Strengthen the Cooperation with all relevant Ministries and Private Sectors

- Cooperation with all related ministries
(Current) Only 5 ministries: MOH, MISTI, MOC, MAFF, and CDC
(Future) Cooperation with all relevant ministries
- Cooperation between ASYCUDA and private sectors' systems (Trade Lens, etc.) via ASYHUB⁷

Difficulties in Automation and Difficulties in Nationwide Expansion due to Workflow Expansion and Complicated Customs Procedures

- Addition and update (modernization) of e-Customs functions (modules) as auxiliary functions
- Enhancement of smartphone apps

System Function Restrictions, and Immature of the Support System Tools

- e-Customs' update according to the update of ASYCUDA

2.5 ASEAN Customs Transit System (ACTS)

ASEAN Customs Transit System (ACTS) has been developed and introduced by ARISE Plus (ASEAN Regional Integration Support by the European Union) with a basis of "Protocol 7: Customs Transit Systems" in ASEAN Framework Agreement on Facilitation of Goods in Transit (AFAFGIT). ACTS is a computer system for transit in cross-border land transportation in three or more countries in ASEAN for the customs transit management. All member countries including Cambodia had agreed and signed with Protocol 7 on February 24, 2015, and ratified.

In Phase 1, demonstration experiments were conducted in the North-South Corridor including Malaysia, Singapore and Thailand. In Phase 2, ACTS has been introduced in the East-West Corridor including Cambodia, Lao PDR and Vietnam. Then the official operation began in November 2020. As of the end of 2018, nine countries ratified the 7th Protocol, and Myanmar was expected to participate in Phase 2, however it has not been confirmed due to the political uncertainty as of December 2022.

Features of ACTS

- Trucks and trailers can transport goods from their origin to the destination in another country with a simplified transit procedure designed for ACTS.
- The customs seal attached at the place of origin is valid to the destination.
- Trucks and trailers can cross each border without transit declarations.
- Trucks and trailers can reach to the destination directly without transship goods to different trucks in each country.
- The collateral for tariffs and taxes on the goods could be worked for all countries involved in the transit.

⁷ ASYHUB is a software tool developed by UNCTAD which can link to ASYCUDA and other IT systems. It can process the data and share a manifest data in advance.

- The information of transit declaration is shared over the customs of origin, transit and destination countries.

Users of ACTS

All traders including importers, exporters, transporters, freight forwarders and customs brokers could use ACTS to transport goods across the borders of ASEAN Member States (AMS). For this, the user must register with the customs office as a transit operator beforehand. The customs in each country has the guidelines for registration.

Advantage of Utilize ACTS

Transporter and freight forwarder are beneficiaries of ACTS since they could estimate door-to-door delivery times and predictability of transportation costs according to the transport procedures among ASEAN countries. Other advantages are listed below.

- ACTS allows that private trader could obtain a single customs transit declaration covering multiple ASEAN countries without repeat customs declarations or change vehicles at each border.
- Transporters and exporters certified as Authorized Transit Traders by ACTS could load goods in the own premise at origin country and deliver the goods on the premises of the importer at destination country.
- Accelerated customs procedures at borders could contribute to simplify the transit movements and reduce the time and cost for the producers and consumers in ASEAN region.
- ACTS could contribute that the road transport becomes faster and easier across the borders in ASEAN countries with less costly

Issue of ACTS

Using ACTS is dependent on decision of the traders not compulsory. Besides ACTS is only applicable for the transportation through three countries. In Cambodia, the possible transit routes are only four as following.

- A route between Cambodia and Myanmar via Thailand
- A route between Cambodia and Malaysia via Thailand
- A route between Cambodia and Lao PDR via Thailand
- A route between Cambodia and Singapore via Thailand and Malaysia
- A route between Thailand and Vietnam via Cambodia

ACTS is limited to utilize in case that origin and destination countries must be ASEAN countries. For example, the packages shipped from outside ASEAN countries such as Japan is out of scope of ACTS.

According to the interview surveys with Customs offices, the record of ACTS has hardly been confirmed. It could be considered as three main reasons, firstly there is limited transport demand through three countries, secondary ACTS does not connect with the customs system in Vietnam,

and lastly land transport cost is relatively higher than sea transport. Furthermore, it is assumed that ACTS is not used because benefits cannot be enjoyed due to the restrictions of COVID-19 such as no transshipment of truck cargo, simple processing of transit customs clearance at the border during transportation, and priority passage at the border. The current situations of ACTS in Thailand and Vietnam are explained in Chapter 3.

2.6 CBTA

Cross Border Transportation Agreement (CBTA) is a multilateral agreement aimed at facilitating cross-border transport in the Mekong region, including five Mekong countries (Vietnam, Cambodia, Lao PDR, Thailand, and Myanmar) and two southern China provinces (Yunnan Province and Guangxi Zhuang Autonomous Region). CBTA consists of the agreement, 16 Annex and 3 Protocols. This was agreed by the six Greater Mekong Subregion (GMS) countries in 2003. After this, the discussions and signing were taken in stepwise in each country. Finally, CBTA has been ready for implementation after the ratification by all member countries in 2015.

Table 2.13 Summary of CBTA

Type	List of Annexes and Protocols	Signing Date
Agreement		September 17, 2003
Annex 1	Carriage of Dangerous Goods	December 16, 2004
Annex 2	Registration of Vehicles in International Traffic	April 30, 2004
Annex 3	Carriage of Perishable Goods	July 5, 2005
Annex 4	Facilitation of Frontier Crossing Formalities	April 30, 2004
Annex 5	Cross-Border Movement of People	July 5, 2005
Annex 6	Transit and Inland Clearance Customs Regime	March 20, 2007
Annex 7	Road Traffic Regulation and Signage	April 30, 2004
Annex 8	Temporary Importation of Motor Vehicles	March 20, 2007
Annex 9	Criteria for Licensing of Transport Operators for Cross-Border Transport Operations	December 16, 2004
Annex 10	Conditions of Transport	July 5, 2005
Annex 11	Road and Bridge Design and Construction Standards and Specifications	April 30, 2004
Annex 12	Border Crossing and Transit Facilities and Services	April 30, 2004
Annex 13a	Multimodal Carrier Liability Regime	April 30, 2004
Annex 13b	Criteria for Licensing of Multimodal Transport Operators for Cross-Border Transport Operations	December 16, 2004
Annex 14	Container Customs Regime	March 20, 2007
Annex 15	Commodity Classifications System	April 30, 2004
Annex 16	Criteria for Driving Licenses	December 16, 2004
Protocol 1	Designation of Corridors, Routes, and Points of Entry and Exit (Border Crossings)	April 30, 2004
Protocol 2	Charges Concerning Transit Traffic	July 5, 2005
Protocol 3	Frequency and Capacity of Services and Issuance of Quotas and Permits	March 20, 2007

Source: ADB and JETRO

The "Early Harvest Implementation (EHI)", implements feasible measures for the early implementation of CBTA, was decided to be introduced at the 5th Joint Committee on Cross-Border Transport Agreement held in 2016. The measure simplifies the procedure for temporary entry of transport vehicles including container and commercial buses into other countries. An MOU was

signed in all member countries except Myanmar, and it will be applied until June 2021.

This measure allows vehicles, up to 500 in each country, to freely move between the Border Crossing Points (BCPs) listed in Protocol 1⁸, and this temporary entry will be subject to the temporary permit documents namely “Temporary Admission Document (TAD)”. The TAD is valid for 12 months and the stay in the entering country is stipulated to be within 30 days. Vehicles with TAD are exempt from import duties and customs deposits. Furthermore, at the border, customs needs to stamp the TAD, but basically no procedure is required. In Cambodia, the issuance of TAD is carried out under the National Transit Transport Coordinating Committee (NTTCC).

There are five BCPs in Cambodia: Poipet, Bavet, Stung Treng, Cham Yeam, and Dong Kralorl. As of June 2021, twenty-six TADs (3 freight vehicles and 23 passenger vehicles) have been issued. The following issues have been clarified as the reasons why the number of TAD applications is small. Since the application of TAD contributes to smooth border crossing, it is necessary to solve these problems and promote further issuance.

- Since TAD at BCPs is not well known, it tends to take time to cross the border
- There are no customs guidelines for the vehicle with TAD
- There are different traffic rules in each country
- The route used is not applied to the EHI scheme
- TAD is not issued for foreign investment companies
(limited to companies with less than 49% foreign capital in Cambodia)

On the other hand, the issuance of TADs based on bilateral MOUs is relatively high. Cambodia signed an MOU with Vietnam in 2012, has already issued a TAD for up to 500 quotas, and plans to renew the MOU to expand to 800 quotas. An MOU was signed with Thailand in 2016, and about 150 quotas have been issued.

The CBTA was drafted in 1999, and since it has been more than 20 years, revision of the contents is required. Currently, with the support of ADB and the Australian Aid (AusAID), a comprehensive review of the Agreement, Annex and Protocol (preparation of CBTA 2.0) is underway, however the revised version has not yet been published as of February 2022.

2.7 Support of International Donors

2.7.1 ARISE Plus

EU (European Union) has been supporting for ASEAN region more than 40 years. Recently “ASEAN Regional Integration Support from the European Union (ARISE)” has been conducted for trade facilitation in ASEAN countries from 2013 to 2016. In ARISE, several programs including capacity development have carried out.

At this moment, ARISE Plus, successor to ARISE, are conducting from 2017 to 2022 aiming at implementation of “ASEAN Economic Community Blueprint 2025 (AECB)” and capacity building of the implementation body. For ARISE Plus has a budget of 22.5 million euro and it targets five

⁸ Protocol 1 has revised in 2020 and BCPs has been increased

countries including Cambodia, Indonesia, Lao PDR, Myanmar, and Vietnam. In particular, there are several activities along four following components.

- Component 1: Trade Facilitation and Transparency
- Component 2: Standard and Conformity Assessment in particular Health Care and Agro-based Products
- Component 3: Customs, Transport and ACTS
- Component 4: ASEAN Economic Integration Monitoring and Statistics

From the customs viewpoint, "Component 3: Customs, Transport and ACTS" supports to reduce release time at the customs, introduce the AEO, disseminate the ACTS and enhance seamless cargo traffic. In Cambodia, three main themes are focused as follows: 1) Trade facilitation, 2) Strengthening institutional capacities and improving regulatory practices for international trade, and 3) Enhancing private sector engagement in trade. In which, two projects with GDCE have been conducting.

First is technical support for improving NSW. ARISE Plus mainly assists on evaluation of NSW and import/export licensing. Second is training on risk management systems based on the WTO including reviews of the current risk management system and an improvement in the risk profile. In addition, as part of risk management, Best Trader Incentive Mechanism (BTIM) is also analyzed in order to confirm that there is no discrepancy between the AEO concept and the current BTIM.

Besides ARISE Plus is currently working with UNCTAD to improve the system to enable pre-arrival/departure procedures for sea transport by ASYCUDA using the API. However, it has not started due to legal issues as of August 2021.

2.7.2 Swisscontact

Global Alliance for Trade Facilitation (GAFT), is a public-private partnership aimed at facilitating international trade, supports developing countries to implement Trade Facilitation Agreement (TFA) by WTO coordinating with GIZ, Center for International Private Enterprise (CIPE), and International Chamber of Commerce (ICC). Swisscontact, is a part of activities by GAFT, has conducting projects from 2020 to 2022 for trade facilitation in Cambodia, Uganda and Bangladesh. In Cambodia, two following projects has been implementing.

- Workstream 1: Institutional Capacity Support for EAD⁹ Implementation
- Workstream 2: e-Trade Portal Development and Promotion

In the Public Dialogue (PPD), which is mainly conducted by GAFT, three fields of "Pre-Arrival Processing", "Enhancement Customs Valuation Practice", and "Enhancement Cooperation and Coordination in Transit" were discussed. Pre-Arrival Processing will be implemented as a future project, while no progress has been made in the other two areas.

Swisscontact plans to start a system improvement project for Pre-Arrival Processing in 2021 which focuses on sea and air cargos only.

⁹ EAD = Encoded Archival Description

2.8 Relevant Committee in Cambodia

2.8.1 NCTF

"Trade Facilitation Agreement" issued by WTO in February 2017, requires the establishment of a "National Committee on Trade Facilitation" for the member countries in Section 3, Article 23. In response to this, the National Committee on Trade Facilitation (NCTF) was established in Cambodia in February 2020 with GDCE as the secretariat.



The committee, as stated in the Trade Facilitation Agreement, is set to discuss the implementation of trade agreements and domestic coordination. The committee consists of the following ministers and representatives and chaired by the minister of MEF.

- Chair: Secretary of State Ministry of Economic and Finance
- First Vice Chair: Secretary of State Ministry of Commerce
- Second Vice Chair: Director-General Department of Customs and Excise of Cambodia
- Representative of Ministry of Economic and Finance
- Representative of Ministry of Commerce
- Representative of Ministry of Industry, Science, Technology and Innovation
- Representative of Cambodia Development Council
- Representative of Ministry of Public Service and Transport
- Representative of Ministry of Agriculture Forestry's and Fisheries
- Representative of Ministry of Health
- Representative of Secretary of State of Civil Aviation
- Representative of General Customs and Excise of Cambodia
- Representative of chair of Ministry of Commerce

2.8.2 NTTCC

The AFAFGIT issued in 1998 requires the establishment of a National Transit Transport Coordinating Committee (NTTCC) in each ASEAN country in Section 7, Article 29. In addition to the implementation of AFAFGIT, NTTCC aims to implement and monitor "ASEAN Framework Agreement on Facilitation of Inter-State Transport (AFAFIST)" and "ASEAN Framework Agreement on Multimodal Transport (AFAMT)".

NTTCC in Cambodia was established in November 2001 with MPWT as the secretariat, aims at facilitation of trade and transport, and coordination with domestic agencies. The committee serves as a contact point of the committees of ASEAN countries as well. In addition, NTTCC has jurisdiction over the registration and licensing of transit transportation companies.

The committee consists of the following ministers and representatives and chaired by the minister of MPWT.

- Chair: Secretary of State Ministry of Public Works and Transport
- Technical Secretariat Ministry of Commerce
- Technical Secretariat Ministry of Economic and Finance
- Technical Secretariat Ministry of Foreign Affairs and International Cooperation
- Representative of Ministry of Interior
- Representative of Ministry of Tourism
- Representative of Ministry of Agriculture Forestry's and Fisheries
- Representative of Ministry of Health
- Representative of Secretary of State of Civil Aviation
- Representative of General Department of Customs and Excise Cambodia
- Representative of National Bank of Cambodia
- Representative of Chambers of Commerce

Prior to expansion of COVID-19, NTTCC had meetings about twice a year and had repeated discussions, however in recent years the main activities are limited. The committee is also responsible for issuing TAD.

2.8.3 CBWG

The Cross Border Working Group (CBWG) was established in May 2020 with MPWT as the secretariat, aims at sharing information and ideas across lined ministries and agencies in Cambodia and the neighboring countries, Thailand and Vietnam in order to improve the cross-border procedures at main borders including Poipet (and Sung Bot) and Bavet. CBWG plays a role of development action plans for effective measures of border improvement and coordinate with international donors including JICA to implement it. In addition, CBWG has been taking several measures for tackling with COVID-19 as well. The working group consists of following members and chaired by the minister of MPWT.

- Chair: Senior Minister of Public Works and Transport
- Vice Chair: Secretary of State Ministry of Public Works and Transport
- Secretary of State Ministry of Commerce
- Under Secretary of State Ministry of Economic and Finance
- Under Secretary of State and representatives of Ministry of Public Works and Transport
- Under Secretary of State Ministry of Tourism
- Representative of Ministry of Interior
- Representative of Ministry of Agriculture Forestry's and Fisheries
- Representative of General Department of Customs and Excise Cambodia
- Representative of Svay Rieng and Banteay Meanchey Provinces

Joint Task Force Team (Cambodia-Vietnam) was established under the CBWG for the purpose of dialogue with the Vietnamese side, and discuss all transportation modes including roads, railroads,

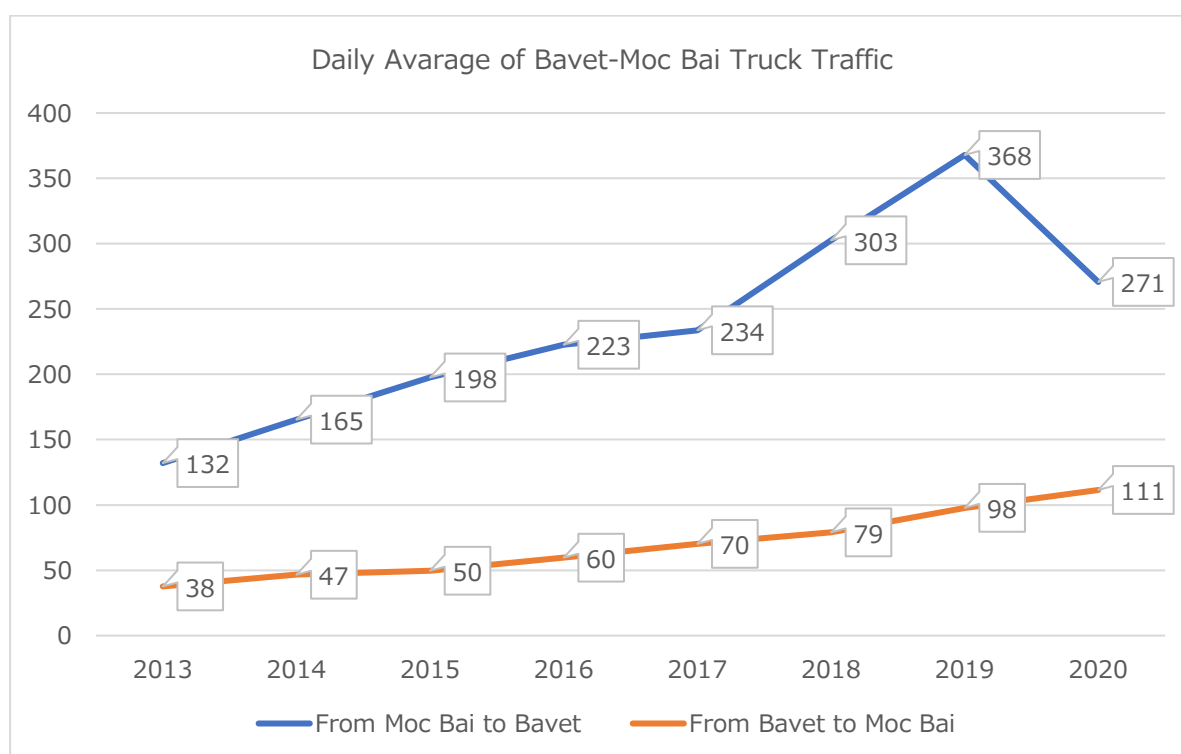
waterways except air transport. The first meeting has held in December 2021 to discuss about variety things including border improvement.

A dialogue between Cambodia and Thailand, “The 11th meeting of the Joint Commission for Bilateral Cooperation between Cambodia and Thailand 16-18 December 2021 Phnom Penh Cambodia” has been held in December 2021 for discussing the schedule of opening Stung Bot Border.

2.9 Improvement Project under the “Cambodia Logistics Improvement Project Phase-2” by JICA

In Phase 2 of the JICA Logistics System Improvement Project, JICA experts and MPWT are working to improve the congestion of truck logistics at the border, as well as support for the formulation of Cambodian logistics policies. The project activities include to support preparation of the border improvement plan and obtaining the approval from CBWG. The pilot project for border improvement is planned to conduct during the project.

Table 2.3 Vehicle Traffic (P11) at the Bavet - Moc Bai border shows traffic in Bavet, but the table below graphs shows daily average truck traffic in Bavet since 2013(does not include empty trucks or empty container vehicles). Traffic increased steadily until 2019, but the number of trucks entering Cambodia has decreased since 2020 due to the influence of the COVID-19. However, the number of truck departures has not been affected.



Source: Cambodia Logistic System Improvement Project (JICA) *The number of empty trucks is not included

Figure 2.12 Truck Traffic at the Bavet-Moc Bai Border, 2013-2020

In Phase One of the project, in order to improve the border congestion of Bavet, the Project conducted research to grasp the current situation and identify bottlenecks, by dividing time zone from the opening of the gate at 6 a.m. to the closing gate at 10 p.m. They researched passing trucks by

bulk cargo trucks and container trucks divided into empty cargo trucks and with cargo trucks. The survey was carried out for three days from Wednesday, January 15, 2020, to Friday January 17, 2020. The table below shows traffic for three days on the survey dates, and the color-coded shows the same classification as in the following figure of Figure 2.12.

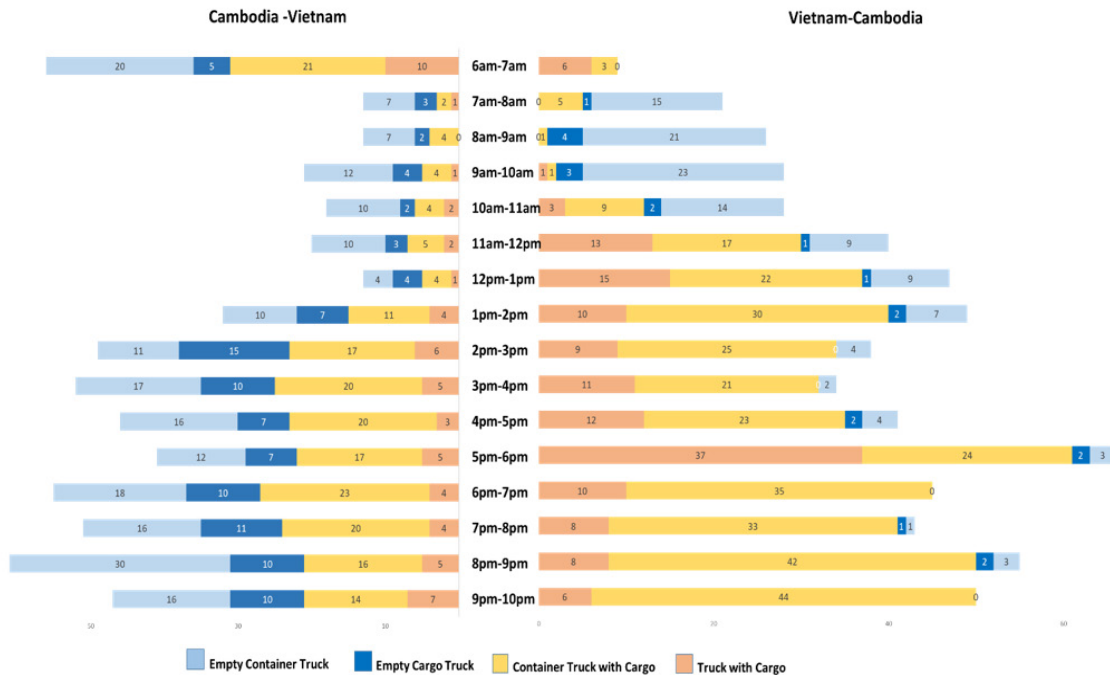
Table 2.14 Traffic for Three Days on the Survey Dates (January 2020)

	Cambodia to Vietnam					Vietnam to Cambodia				
	Empty Cargo		With Cargo		Total of the Day	Total of the Day	With Cargo		Empty Cargo	
	Container	Bulk	Container	Bulk			Bulk	Container	Bulk	Container
15 th	246	89	209	68	612	583	124	338	26	95
16 th	210	102	212	54	578	603	131	366	17	89
17 th	193	140	185	56	574	617	192	304	25	96
Total	649	331	606	178	1764	1803	447	1008	68	280
Ave.	216	110	202	59	587	601	149	336	23	93

Source: Cambodian Logistics System Improvement Project (JICA)

The average traffic by time zone for three days is shown in Figure 2.13, "Truck traffic by time zone at the Bavet border" below.

From the top of the graph, the traffic volume per hour shows from 6:00 a.m. to 7:00 a.m. and 7:00 a.m. to 8:00 a.m., and the last row is from 9:00 to 10:00 p.m. The left side of the graph shows the vehicle coming out from the Cambodian side toward Vietnam, and the right side of the graph represents the vehicle entering the Cambodian side from the Vietnamese side. The pink color on the center of the graph is a cargo loading truck other than the container, yellow is a container truck with cargo, the dark blue is an empty bulk truck, and the light blue is empty container truck. The number written in each color refers to the number of trucks.



Source: Cambodian Logistics System Improvement Project (JICA)

Figure 2.13 Truck Traffic by Time Zone at the Bavet Border

- This chart indicates that about 55% of vehicles traveling from Cambodia to Vietnam are empty
- Around 19% of vehicles entering Cambodia from Vietnam are empty
- There are many vehicles from Cambodia to Vietnam in the first hour of the morning (58 vehicles)
- An average of 16 vehicles passes in an hour from 7:00 a.m. to 1:00 p.m., but the average from 2:00 p.m. to 10:00 p.m. is 48, and at peak times 61.
- Only 59 (78%) of the 76 trucks that entered Cambodia from Vietnam by 10:00 a.m. were empty cargo trucks and loaded with cargo were only 17.
- From 11:00 a.m., many cargo trucks have crossed the border, but the average passing rate per hour is 45.
- Many bulk trucks pass from 5:00 p.m. to 6:00 p.m., due to tank trucks loaded with dangerous goods passing through at this time of day every day.

Looking at the actual condition of traffic volume by time zone like this, the lack of cargo trucks in the morning time zone is conspicuous. As a matter of fact, more trucks are waiting to enter Cambodia in the early morning on the Vietnamese side, and if this part can be resolved, customs clearance on the Cambodian side will be started earlier, which is expected to lead to a reduction in logistics costs incurred by waiting times.

As another challenge, many casinos and entertainment facilities are built adjacent to Bavet and Poipet on the Cambodian side of the border, and policies are being made to attract tourists from neighboring countries, and it is difficult to expand customs clearance and logistics facilities near the border due to rising land prices.

2.10 Private Sector

There are mainly two types of private business related to the customs clearance in Cambodia, one is a transporter, and the other is a forwarder. In addition to this, there are a small number of companies that carry out transportation and customs clearance by themselves. In terms of the company scale tends to be wide in Cambodia, from large-sized company with foreign capital to small- and medium-sized company run by family. The former, large-sized companies are likely to register at Cambodia Logistics Association (CLA) and/or Cambodia Truck Association (CAMTA). On the other hand, small-sized company tends to not register at such associations. Therefore, total number of logistics-related businesses in Cambodia has been unknown. However, General Department of Logistics, MPWT plans to establish the registration system of logistics company, and it is expected that the number of companies will be clarified in near future. As of June 2021, there are 489 brokers who carry out customs clearance procedures, some of which belong to companies, however there are also many individual brokers. As a results, the private sector involved in customs clearance at the borders is diverse and numerous in Cambodia.

2.10.1 Opinions from Private Sector

In this survey, due to the influence of COVID-19, interviews with several logistics-related companies

by online with supports from CLA. In addition, the relevant reports¹⁰ and documents were reviewed for picking up the opinions from the private sector.

Table 2.15 Opinion from Private Sector

Category	Major Opinions
Import/Export Procedure, and Customs Clearance	<ul style="list-style-type: none"> · Request to introduce simplified procedures such as paperless and digitized payments · Request to make smooth and quick contact with the customs office, in case the submitted document has error · Customs clearance become smoothly because of ASYCUDA · The customs H.Q. is able to do process the certificate of origin and customs evaluation · It tends to take time when the number of items is large. · Request to clarify how to apply for the master list (request to CDC)
Procedure of Transit	<ul style="list-style-type: none"> · Need to apply the permission for the transit declaration · Declaration for transit in overtime has denied sometime · Poipet customs office require to receive the original document · Request to disseminate e-Transit and to enlighten the private sector · Procedure of e-Transit is differ depending on the border (e.g. Bavet can process by online, but Poipet requires the original document)
Procedure at the Border	<p><General></p> <ul style="list-style-type: none"> · Scanning equipment at the border is desirable · Pre-arrival system needs to be introduced for the border crossing · Opening Stung Bot border early <p><Bavet></p> <ul style="list-style-type: none"> · Need to solve the traffic congestion at the border. VGD transshipment area is small and makes congestions · Border crossing time become reduce compared to the TRS 2019 <p><Poipet></p> <ul style="list-style-type: none"> · Transshipment of cargo at the border takes almost a day in the time of most severe congestion (Thai side) · Cargo transshipment is quicker than Bavet because of more labor power. Since Thai trucks can enter to the Dry Port near the border, transshipment at the zero point is unnecessary
Procedure at SEZ	<ul style="list-style-type: none"> · For imports from Thailand, it is necessary to submit transit documents to Phnom Penh SEZ in advance. · In case of making error for declaration, the process may take in next day at the customs in Phnom Penh SEZ
CNSW	<ul style="list-style-type: none"> · System performance is good · Sometime customs clearance is delayed due to error happen · Procedures for tariff evaluation and certificate of origin became simplified and it is helpful · Still some procedures require to submit original documents
Best Trader	<ul style="list-style-type: none"> · Advantage of Best Trader is limited for documentation in the customs office in Phnom Penh · Best Trader tends to be prioritized in local customs office · Dissemination of Best Trader system is needed
Advance Ruling	<ul style="list-style-type: none"> · The procedure of advance ruling may take time

¹⁰ JICA "The Kingdom of Thailand Data Collection Survey on Cambodia Border Connectivity", 2020
 JICA "Data Collection Survey on Logistics System Improvement in the Kingdom of Cambodia", 2018
 JICA "Survey on improvement of customs procedures for trade facilitation in the Mekong Region", 2011

Category	Major Opinions
	· The system is complicated
Pre-Arrival Declaration	· Only for air cargo (import)

Note: VGD means VGD Export Import & Transportation Co., Ltd.

The table is based on the interview with private sector conducted in May to July 2021, the opinions might be different from current situation

Source: JICA Survey Team based on the interview survey

2.10.2 Issues come up from Private Sector

In this survey, detailed interviews with domestic and foreign invested companies were conducted. As a result, it was found that although private companies have expectations for speeding up border crossing, they recognize that predictability of border-crossing in terms of time and cost is prioritized. The most important is "transport cargo without delay" and the problem is irregularly change of the procedure and time for private companies. Currently, import/export and customs clearance procedures may differ from the border to the border. In addition, unexpected traffic congestion often occurs, and the cross-border time cannot be predicted. Under such situation freight transportation services is likely to decline which cause disadvantage for private companies. Therefore, it was confirmed that the relevant ministries and agencies are required to clarify and standardize the import/export and customs clearance procedures, and to ensure that the cross-border time does not fluctuate much.

In addition, under the influence of COVID-19 expanded from 2020, the import/export and customs clearance procedures are becoming online to avoid the direct contact and simpler. Private companies are willing to accept such positive changes. However, online system is still transitional period, and many ministries and agencies are expected to be digitized soon.

Among them, the introduction of e-Transit is evaluated for reduce the cross-border time by private companies. There is a request to expand e-Transit in the future. At the same time, dissemination of e-Transit system and information to private companies is necessary to encourage the users.

Furthermore, payment of the tax and tariff also became digitalized as e-Payment. For using e-Payment the users need to register at the partner banks in advance. Taxes and fees are automatically deducted from the user's account when they enter the information of tax payment online with security authentication by SMS. The receipt is issued by online as well.

It contributes to enhance the convenience of payment by online however only five banks are currently available for e-Payment. Private sectors expect it to be expanded future to improve the convenience. Besides, in case of proceed the introduction of pre-arrival declaration, expanding online payment is vital for it.

Besides, one issue for digitizing the procedures is recognized. Although e-Customs and ACYCUDA are different system with different purpose, input the similar information into the data terminals twice has a room to improve such as connecting the systems.

CHAPTER 3 CUSTOMS CLEARANCE PROCEDURES IN NEIGHBORING COUNTRIES

3.1 Thailand

3.1.1 Basic framework of customs clearance

(1) Administrative Organs on Customs Clearance Procedures

Customs Department of Ministry of Finance is responsible for customs procedure in Thailand. The Customs Department has 48 customs offices nationwide besides Bangkok's headquarters and these 48 local customs offices are under 4 Regional Customs Bureaus. The Cambodian Border Aranyaprathet Customs Office belongs to Regional Customs Bureau 1.

(2) Laws and regulations

The basic law for customs procedures in Thailand is the Customs Law (Customs Act) B.E.2560. Under the Act, there is a Customs Tariff Decree B.E. 2530.

Regarding the system of customs, there are general tax rate, ASEAN Common Effective Preferential Tariff (CEPT) tax rate, application tax rate of Free Trade Agreement (FTA), Generalized System of Preferences (GSP) tax rate, application tax rate of Global System of Trade Preferences (GSTP), and application tax rate of ASEAN Integration System of Preference (AISP).

Regarding the relation with Japan, the general tax rate is applicable, but the tariff can be eliminated or reduced if the conditions are satisfied by the "agreement between Japan and Thailand on: Japan-Thailand Economic Partnership Agreement (JTEPA)" or "ASEAN Japan Comprehensive Economic Partnership (AJCEP)".

There are also preferential tax measures granted by each ministry. For example, there are taxes on tariffs, such as the refund of parts and materials import tariffs for their export, the exemption of tariffs on imported goods for re-export from bonded warehouses, the exemption for goods brought into the free zone, and the exemption for import customs tariffs of raw materials, materials, and production machinery and equipment of the manufactures of export companies registered at the Board of Investment (BOI) when they export them.

(3) Documents required for import and export

The documents required for importing and exporting Thailand are as follows.

Table 3.1 Documents required for import and export (Thailand)

Applicant	Importer	Exporter
Necessary documents	<ul style="list-style-type: none"> • Import Declaration (Customs Form No. 99 or 99/1) • Invoice • Packing list • Bill of Lading (B/L) or Air Cargo Bill (Air Waybill) • Cargo Delivery Form (Customs Form 100/1 or 469) • Insurance premium bill • In the case of import management items or import permitted items, an import approval document issued by the relevant ministry or agency • Certificate of Origin (if applicable) • Explanatory materials for customs use of imported goods (cargo) (catalogs, etc.) 	<ul style="list-style-type: none"> • Export Declaration (Customs Form No. 101 or 101/1) • Two invoices • In the case of export management items or export permitted items, import approval issued by the relevant ministries and agencies • Explanatory materials for customs use of exported goods (cargo) (catalogs, etc.)

Source: JICA survey team

(4) Item classification

Item categories are based on the WCO (World Customs Organization) HS-code (Harmonized Commodity Description and Coding (Harmonized System)). AHTN2017 has been in use since January 2017.

(5) Taxation

Most items are subject to ad valorem tax based on CIF prices, and some are subject to specific tax.

(6) Pre-arrival Declaration System

In Thailand, a preliminary declaration system for the export and import of marine and air cargo has been launched since March 2018. However, it is not applied at the border. This is based on the premise that the manifest has been submitted to customs in advance when using the pre-arrival declaration procedure in Thailand. The manifest can't be made without the confirmation of export of the partner country (Cambodia) at the land border.

(7) AEO

AEO has two categories: 1) importers and exporters, and 2) customs contractors. As of November 2021, the AEO had 200 importers and exporters, and 194 customs brokers.

Advantages of AEO are the exemption of inspection by customs for the country with Mutual Recognition Agreement (MRA) (currently four countries: Hong Kong, Singapore, Australia, and Korea; under discussion with Japan, China, Malaysia, and ASEAN); and 1 million THB warranty deposits can be continuously used at transit, and consultation on customs can be received from the customs.

(8) Risk Management

There are Green, Yellow, and Red only, not Blue in the risk management system in Thailand. Cargo

is assessed risk level by e-Customs and flagged with Red in case the cargo is judged to have inspections.

(9) Transit application

Transit applies only to international cargo. Transit is managed with "Goods Transit Control (transportation management sheet)" when the cargo enters into e-Customs before arrival (pre-arrival declaration) or when the cargo arrives at ports and airports.

In Thailand, "e-Lock" is introduced for transit transport, but the level of the system at the time of introduction is relatively lower, so that it is not functioning well at present. Since stolen accidents during transit transport are occasionally observed, Thai Customs recognizes necessity of monitoring.

(10) Time Release Survey (customs clearance time)

In Thailand, time release study was carried out in 2018. The targets of this survey are Suvarnabhumi International Airport and Leam Chabang Port. Thailand has already introduced a pre-arrival declaration system, which shows the difference between the customs clearance time using the pre-arrival declaration system and ordinal clearance time. Custom clearance times for imports and exports are shown in Tables 3.1 and 3.2, respectively.

Both Suvarnabhumi International Airport and Leam Chabang Port reduced the customs clearance time for cases using the pre-arrival declarations from 5 hours to 18 hours, demonstrating their effectiveness. Especially, the effect of the pre-arrival declaration system for airport cargo is large.

Table 3.2 Import Custom Clearance Time for Suvarnabhumi International Airport and Leam Chabang Port in 2018

Location	Suvarnabhumi International Airport				Leam Chabang Port			
	Green		Red		Green		Red	
Type of declaration	Pre-arrival declaration	Ordinal declaration	Pre-arrival declaration	Ordinal declaration	Pre-arrival declaration	Ordinal declaration	Pre-arrival declaration	Ordinal declaration
Submission of manifests	(3 hr 38 min.)	(1 min.)	(8 hr 16 min.)	(0 hr 11min.)	(2 days 4 hr 38 min.)	(2 days 9 hr 38 min.)	(1 day 23 hr 56 min.)	(1 day 14 hr 12 min.)
Arrival-Submission of Declaration	(1 hr 38 min.)	11hr 9 min.	(40min.)	6 hr 12 min.	(3 hr 40 min.)	16 hr 50 min.	(10 hr 50 min.)	16 hr 31 min.
Filing of declaration-start of tax	(1 hr 31 min.)	1 hr 20 min.	(15min.)	11 hr in.	(2 hr min.)	12 hr 21 min.	(2 hr)	14 hr 44 min.
Beginning of tax payment-conclusion of tax payment	(1min.)	0 min.	(1 min.)	1 min.	0 min.	0 min.	(0 min.)	0 min.
Completion of tax payments to contact warehouses	--	--	35 min.	2hr 21 min.	--	--	1 day 5 hr 46 min.	3 hr 23 min.
Contacting the warehouse-Preparing cargo for inspection	--	--	30 min.	23 min.	--	--	1 min.	1 min.
Cargo Preparation for Inspection-Contact Customs	--	--	3 hr 15min.	1hr 31min.	--	--	8 min.	21 min.

Location	Suvarnabhumi International Airport				Leam Chabang Port			
Line	Green		Red		Green		Red	
Type of declaration	Pre-arrival declaration	Ordinal declaration	Pre-arrival declaration	Ordinal declaration	Pre-arrival declaration	Ordinal declaration	Pre-arrival declaration	Ordinal declaration
for Inspection								
Contact customs for inspection-start of inspection	--	--	5 min.	12 min.	--	--	6 min.	7 min.
Commencement of inspection to completion of inspection	--	--	15 min.	13 min.	--	--	11 min.	12 min.
End of inspection-release of cargo			0 min.	2 min.	--	--	5 min.	6 min.
Cargo Release-Cargo Unloading from Port (Airport)	1 hr 55min.	0 hr 15 min.	15 min.	40 min.	1 day 12 hr. 53 min.	16 hr. 28 min.	30 min.	32 min.
Entire travel after arrival at the port (airport)	1 hr. 55 min.	17 hr. 2 min.	4 hr. 55 min.	22 hr. 40 min.	1 day 12 hr. 53 min.	1 day 21 hr. 39 min.	1 day 6 hr. 47 min.	1 day 11 hr. 57 min.

N.B.: () is performed in parallel in the procedure before the arrival of the cargo.

Source: 2018 Time Release Study Report, Customs Department of Thailand

Table 3.3 Export Custom Clearance Time for Suvarnabhumi International Airport and Leam Chabang Port in 2018

Line	Suvarnabhumi International Airport		Leam Chabang Port	
	Green	Red	Green	Red
Submission of declaration form	(8 hr 41 min.)	(23 hr.5 min.)	(1 day 9 hr 27 min.)	(18 hr 26 min.)
Arrival – Matching the export cargo	21 min.	19 min.	--	--
Arrival – Start weight measurement	--	--	--	54 min.
Weight measurement start - end	--	--	--	2 min.
Weight measurement end - X-lay inspection	--	--	--	3 min.
Matching the export cargo – Contact to customs	4 hr.27 min.	1 min.	--	--
Contact to customs - Inspection start	--	3 min.	--	--
Inspection start - end	--	9 min.	--	2 min.
Inspection end – Release the cargo	--	0 min.	--	1 min.
Arrival – Deliver to port operator	--	--	35 min.	1 hr.19 min.
Release the cargo – Contact to warehouse	--	4 hr. 39 min.	--	--
Contact to warehouse – Loading the cargo	10 hr36 min.	12 hr.18 min.	--	--
Deliver to port operator – Loading the cargo			4 days 1 hr.1 min.	4 days 4 hr.20 min.
All process after arrived at port/airport	15 hr.24 min.	17 hr.19 min.	4 days 1 hr.29 min.	4 days 5 hr.39 min.

Note: Descriptions of the TRS results are different between Suvarnabhumi International Airport and Suvarnabhumi International Airport

Source: 2018 Time Release Study Report, Customs Department of Thailand

(11) ACTS

ACTS has been in operation since November 2020, but so far only three cases have been used (Malaysia -> Thai Cambodia, Malaysia -> Thai Cambodia, and Singapore -> Malaysia Thailand). Major reason seems that foreign cars can not pass through the border due to the relation of the COVID-19 measures, and that the difference of traffic rules in each country, etc. is a big cause.¹¹

3.1.2 NSW

(1) General

The NSW in Thailand has been developed mainly by the Customs Department of Ministry of Finance. The NSW portals of various ministries and agencies are linked to e-Customs of the Customs Department to realize computerization and paperless procedures required for import, export, logistics and transportation. Characteristics of NSW in Thailand are that platforms provide shared and integrated services of electronic data and information among 1) inter-government (G2G), 2) government to business (G2B), and 3) inter-business (B2B) to facilitate the sharing and integration of information with electronic data for import/export and international logistics. It also shares data and information across international boundaries between Thailand and other national governments and the private sector.

(2) e-Customs

The electronic customs system of the Customs Department is collectively called "e-Customs" and has been in operation since January 1, 2007. The e-Customs consists of many modules like e-Import, e-Export, e-Manifest, e-Payment, and e-Warehouse, and provides paperless customs procedures and associated services to exporters, importers, customs contractors, transportation companies, shipping companies, etc.

Currently, 18 services relating to customs procedures, 17 support module services, and 14 customs automation services are provided online, paperless, as shown in the following figures.

¹¹ Information source for the three routes are:
<https://acts.asean.org/news/news/acts-live-transit-movement-crosses-asean-member-states-north-south-and-east-west-transit>
<https://acts.asean.org/news/news/another-acts-movement-successfully-completed>
ACTS – A New Driving Force for Regional Integration | ASEAN Customs Transit System - Information Portal([Link](#))

18 services for Customs Procedures	17 services for Supporting modules	14 services For Customs automation
<ul style="list-style-type: none"> ▪ e-Export ▪ e-Import ▪ e-Payment ▪ e-Licensing ▪ e-Manifest ▪ e-Express ▪ Drawback system ▪ Accounting system ▪ Reference data system ▪ Registration system ▪ Delivery order linkage system ▪ Customs fee management system ▪ System for NSW data linkage ▪ User profiles system ▪ e-Tax Incentive ▪ Postal Customs system ▪ Tax refund system ▪ 19 BIS refund system 	<ul style="list-style-type: none"> ▪ Single Sign On ▪ e-Document ▪ Protection and Suppression system ▪ Exhibits system ▪ Lawsuit system ▪ Un-clearance Goods system ▪ e-Transit ▪ Customs tariff database ▪ Internal Control system ▪ Goods analysis system ▪ Customs value analysis system ▪ Customs value database ▪ e-Tracking ▪ Customs tariff Diagnosis system ▪ Petroleum and Liquid clearance system ▪ Clients, micro computers, peripheral devices, and network management system 	<ul style="list-style-type: none"> ▪ e-office ▪ Decision Support system ▪ Data Warehouse ▪ Customs declaration retrieval system ▪ Revenue collection report system ▪ Import and Export report system ▪ International trade statistical system ▪ Human resource, compensation, and welfare system ▪ Customs official information system ▪ Project assessment system ▪ Government data management system ▪ Intranet ▪ Customs Web Site ▪ Web Mail

Source: https://www.unescap.org/sites/default/files/S7-8_NSW-ASW%20presentation%20%288%20Aug%202018%29.pdf

Figure 3.1 Services of e-Customs in Thailand

(3) NSW

Thailand started to develop electronic data exchange (EDI) on customs in 1998 and started to full operation of EDI for the whole country in 2000. On the basis of this EDI system, NSW was started in 2008 by expanding e-Customs which started operation in 2006. After that, the system is continuously improved, and it comes to the present. As mentioned above, NSW provides shared and integrated services of electronic data and information between 1) inter-government (G2G), 2) government to business (G2B) and 3) inter-business (B2B).

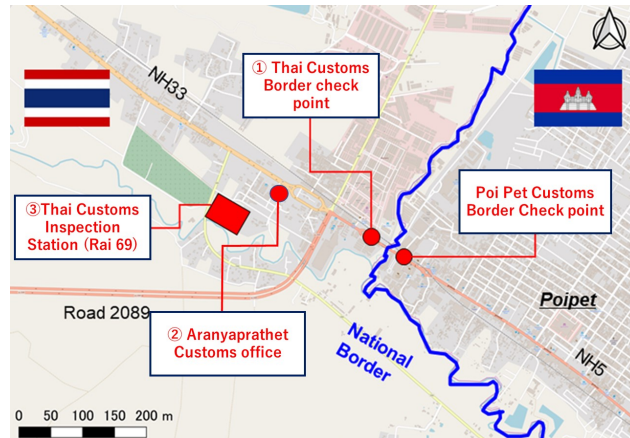
First, in the G2G, 38 governmental agencies involved in imports and exports link to e-Customs to exchange electronic data. Through these efforts, Thai NSWs are currently enabling the electronic preparation, submission, and authorization of most documents related to imports and exports, such as declarations, submissions, and permits (e-Manifest), customs declarations (e-Declaration) and examinations (e-Customs), payments of customs and fees (e-Payment), location of cargo (e-Tracking), and electronic sealing (e-Lock) of freight.¹²

¹² According to interviews to Customs Department, there are some documents and NSWs that have not been partially computerized due to Thailand's national law, and some are not participating in NSW.

3.1.3 Operation of Poipet Border

(1) Facility

At the Poipet border, there are three Thai customs facilities: 1) border customs facilities, 2) Aranyaprathet customs offices, and 3) inspection stations. The inspection station is a space for trucks to park during customs clearance procedures and is located adjacent to the Aranyaprathet Custom Office. The area is 69rai (11.04ha), however there is no X-ray facility.



Source: JICA survey team made from “The Kingdom of Thailand Data collection Survey on Cambodia Border Connectivity”

Figure 3.2 Aranyaprathet Border

(2) Border Control Organization

At the Aranyaprathet border, in addition to customs, there are other offices such as the Army, the Police, the Ministry of Health, and the Ministry of Agriculture (for quarantine). Customs manage trucks movement (entering and leaving Thailand) and inspection of cargo. The police is in charge of opening the border gate.

(3) Opening Time of Gate and Offices

The opening of the Aranyaprathet border is from 6:00 a.m. to 10:00 p.m. The opening time of the Aranyaprathet Customs Office is from 8:30 a.m. to 16:30 a.m. (normal working time for Thai official). However, in order to facilitate import and export, the work at the Aranyaprathet Customs Office and Thai customs office at the border, and the inspection station will normally begin at around 7:30, and the work will continue until all trucks pass. In addition, if there is a request, overtime customs clearance is carried out within 6:00 a.m. and 10:00 p.m.

(4) Import/Export Procedures

The number of trucks passing through the Aranyaprathet - Poipet is about 80,000 units per year in outbound (export) and about 7,000 to 8,000 units in inbound (import). Generally, the clearance procedure for green cargo is completed in approximately 5-10 minutes. And even in the case of red cargo, it is said that in most cases it will not exceed 30 minutes. (There are differences depending on various factors, such as the type of cargo, the description status of declaration documents, and the payments of customs duties.)

Import procedures are as follows.

1. When the truck arrives at the Thai border, the truck driver submitted a document (Sor.Bor. 1 form) to the border customs facilities. Customs issues control number and delivers it to truck driver.
2. Customs broker/importer waiting at the border inputs information into e-Customs at customs

border office (including the control number received) and pay import taxes, associated taxes and fees. e-Customs system then generates import declarations and assesses the risk level (the cargo is classified as red, green, or yellow).

3. The truck goes to the inspection station while the customs broker/importer carries out the above two procedures at the customs border office.
4. If the importer/customs declaration filing and the process of paying customs duties and fees has been completed and the cargo has been classified as green before the truck arrives at Customs, the truck is not required to enter the inspection station and pass through the truck (the imported goods is released from Customs at that time). However, if the process is in progress before the truck arrives at the customs, or if the cargo is flagged red, the truck enters the inspection station where it waits and waits for the process of 2. In the case of Red, cargo inspection is carried out on a truck-by-truck basis.

On the other hand, the export procedure is as follows.

1. The exporter or customs contractor shall prepare the export declaration documents and enter them in e-Customs prior to export.
2. e-Customs verifies the entry (if no error is detected) and confirms whether it produces an application for export.
3. If there is an export tax, the exporter/customs contractor pays the export tax. (In Thailand, most exports are tax-free, however a small number of exports are taxed for export).
4. In parallel with the export declaration process to e-Customs, the goods are packed in a plant/warehouse and loaded onto a truck, and the exporter/customs broker enters the information of the vehicles and goods into e-Customs. Customs issues "Goods Transit Control" to exporters/customs brokers in e-Customs. This "Goods Transit Control" is used by customs to manage vehicles.
5. When the cargo is ready to be exported, the exporter/customs broker submits the export declaration documents and the goods transition management documents to the customs officials of the inspection station.
6. The Thai customs broker informs the Cambodian customs broker that the truck loaded with the export cargo has arrived on the Thai side via SNS such as Line and submits the "Truck List" to the Cambodian Customs for acceptance. Thai customs broker receives this document on SNS etc. and prepare it as a document for crossing the border.
7. The customs officials in the inspection station checks the "Goods Transit Control" against the arriving vehicle and enter it into e-Customs that the vehicle has already arrived correctly in the inspection area of the customs.
8. e-Customs judges the risk (green, red, yellow). In the case of green, the customs officials at the inspection station will check information about vehicles such as license plates, and the truck will proceed to the border. In the case of Red, apart from information on vehicles, the customs officials in the inspection station conduct cargo inspections, after which the trucks proceed to the border.
9. When export trucks line up for departure, Thai police makes sure that the trucks have both Thai Customs documents and a "Truck List" confirmed by Cambodian Customs and allows to line up in a convoy to Cambodia.

10. Customs officials at the border Customs Office confirm that the truck has already arrived in Cambodia across the Thai border (there is no physical inspection here), enter e-Customs, mark the cargo as "loaded" and record the date and time of the cargo passed the border to Cambodia.

(5) Transit procedure to Cambodia

Transit operators make transit applications to e-Customs and obtain "Goods Transit Control" when the cargo is arrived at port in Thailand. When the cargo arrives at the Aranyaprathet Custom, the customs officials in charge check the cargo with "Goods Transit Control" (no physical inspection) and if there is no problem, the cargo can pass the border.

(6) Empty track procedure

Truck drivers are required to submit documents (Sor. Bor 1 form (vehicle manifest)) to the staff of the bordering customs facilities, as in the case of cargo trucks, however there is no customs clearance procedure.

3.1.4 Plan to improve customs procedures

Customs Department have developed a five-year Customs Strategic Plan (the latest version is 2017-2021) to improve customs procedures. The plan consists of the following five strategies:

- Strategy 1: Development of Custom Clearance Procedures and Systems to Improve the Convenience of Trade
- Strategy 2: Development of customs clearance methods and international trade information for promotion of border trade and link with world trade
- Strategy 3: Improving the efficiency and consistency of the customs control system
- Strategy 4: Improving Customs Operations as Good Governance
- Strategy 5: Improvement of staff capacity and organizational reform

Among the five strategies, Strategy 1 aims to improve customs systems and procedures such as enhancing the functions of NSWs and e-Customs, and pre-arrival declaration system. Strategy 1 has totally 29 projects. Strategy 2 is focused on the promotion of trade and is highly relevant to improvement of customs procedure at borders, however, is limited to infrastructure development (border facilities, etc.) as a border-related project in the latest version of the plan.

According to the interviews with Customs Department of Thailand, the above Customs Strategic Plan will be promoted as a measure to improve ordinal customs operations, however the following four directions are the strategic challenges to be addressed according to the requests of the businesses and considerations on progress of trade facilitation in other countries:

- Electronics and NSWs are being strengthened, and e-Insurance are currently being developed.
- Expansion of AEOs (under discussion with Japanese, Chinese, Malaysian and ASEAN)
- Strengthening e-Commerce
- Establishment of Dry Ports in inland areas

The establishment of Dry Port in the inland area is a measure for rail freight based on railway development linking Kunming - Lao PDR -Thailand along the "One Belt One Road" of China. Currently Customs Department of Thailand plans to have 4 Dry Ports at Chachengsao, Nakon Ratchashima, Kong Kean and Nakhon Sawan.

3.1.5 SSI/CCA

CBTA has signed bilateral agreements on SSI/CCA development with Cambodia and Lao PDR. In Thailand, there is no problem with facility development and the revision of the national law, which enables customs officials to work in the partner country, however, it is necessary to revise national law to be possible to work the staff in charge of IQ (immigration, quarantine) at SSI/CCA.

There was no periodic discussion in border office level between Thailand and Cambodia, and there is no regular dialogue between Customs headquarters as well. But borders customs office occasionally have meeting with Cambodian side, if necessary. In addition, there are some instructions of staffs between both border customs offices.

In principle, Thailand intends to promote SSI/CCA. According to an interview with Customs Department of Thailand, The Customs Department has completed procedures such as revision of the legal system for the implementation of SSI, and introduction of SSI/CCA depends on other ministries and agencies related to border crossing. Therefore, although facilities that can introduce SSI/CCA are being developed in Stung Bot, substantial discussions for the introduction of SSI/CCA have not yet begun by the Customs Department. It is presumed that the issues on introduction of SSI/CCA to Stung Bot will also be more active when the cross-border transport and are mutually become more active with increasing freight volumes and benefits from international land transportation. Therefore, for the promotion of SSI/CCA, it is important to develop an environment that facilitates cross-border transportation like expanding number of trucks entered, arranging traffic rules for vehicles (for example technical inspection certificate, third party vehicle damage insurance) etc.

3.1.6 Current Issues

Customs clearance system in Thailand is relatively advanced in terms of computerization and construction of NSW compared with GMS countries. Private companies highly evaluate it. Thailand also develops system by themselves, and there are no problems on O&M as well.

One of issues to be addressed in the future may be strengthening of measures for cross-border e-Commerce and the introduction of a system of non-resident inventory. Enhanced customs response to e-Commerce and non-resident inventory will help boost global cross-border e-Commerce (net shopping) expansion as a new business opportunity in the future.

From the viewpoint of speeding up the border crossings between Thailand and Cambodia, the traffic congestion and insufficient border facilities will be solved when the new Stung Bot - Nong Ian border will be opened. As mentioned above, Stung Bot border shall include the facility for SSI/CCA, however the operational measures have not been started between two countries. In addition, there is room for improvement in convenience of cross-border. For example, more flexible and simple procedure for the customs clearance in overtime, after 17:00 in the evening.

3.1.7 Supports from other Development Organizations (donors)

Customs Department of Thailand do not currently receive any support programs from other donors. Note that ACTS does not provide direct support for Thailand.

3.1.8 Potential Needs of International Cooperation in Improving Cross-Border Procedures

Thailand's customs and related private sector capacities are high, and there is little room for areas where donors, including Japan, should cooperate, except for areas with high expertise such as classification, risk assessment, customs valuation, rules of origin, protection of intellectual property, posterior surveys, inspection, and detection. However, for border control, such as adjusting border opening times and opening times, and introducing SSI/CCA, there is room for donors to play a role of coordination with both countries and facilitation of dialogue.

On the other hand, from the viewpoint of speeding up the border crossing between Thailand and Cambodia, the introduction of SSI/CCA at the new Ban Nong lan - Stung Bot border and improving service level of border operation at Poipet and Stung Bot will be necessary. In this regard, there is a possibility of technical cooperation to work as facilitator between Thailand and Cambodia to discuss how to improve the border in response to the requirements of private companies.

3.2 Vietnam

3.2.1 Outline of Customs Procedures

(1) Administrative Organizations on Customs Clearance Procedures

The Vietnamese Customs Procedures are under the jurisdiction of General Department of Customs, Ministry of Finance. The General Department of Customs has 35 Customs office nationwide besides Hanoi's headquarters. The Moc Bai Customs Office on the Cambodian border is under the jurisdiction of the Customs Office of the Tay Ninh Province.

(2) Laws and regulations

The basic law for Vietnam's customs procedures is the New Customs Law (54/2014/QH13). A new import and export tax law (107/2016/QH13) was enforced in September 2016.

There are roughly three types of tariff systems in Vietnam: (1) standard tariff, (2) preferential tariff, and (3) special preferential tariff. The preferential tariff rate basically applies to imports from the most favored country. The special preferential tariff rate is basically applied to imported goods from countries or regions that have concluded agreements with Vietnam on special preferential import tariffs.

In relation to Japan, the preferential tariff rate is applied based on the decision made on May 22, 1999 issued by the Ministry of Commerce and Industry on 616/1999/QD-BTM. Currently, the Japan-Vietnam Economic Partnership (JVEPA), the Japanese and ASEAN Comprehensive Economic Partnership (AJCEP), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) have been signed, and the elimination of customs duties is proceeding.

(3) Types required for import and export

The documents required for importing and exporting Vietnam are as follows.

Table 3.4 Documents required for Import and Export (Vietnam)

Applicant	Importer	Exporter
Necessary documents	<ul style="list-style-type: none"> • Import Declaration • Commercial invoices or equivalent documents • Bill of Lading (B/L) or equivalent documents • List of imported wood raw materials by the Ministry of Agriculture, Forestry and Fisheries • Import licenses or permits issued by the competent authority (import licenses or duty quota notices based on tariff quotas) • Certificate of inspection (notification of exemption of inspection, results of inspection, or equivalent documents) • Certificate of import eligibility under the Investment Law (for the first time only) • Evaluation report • Certificate of Origin • List of machinery and equipment • Commission of authority • Sales contracts to schools or research institutions or contracts to provide goods or services for tools specifically used for education, research, scientific experiments, etc. 	<ul style="list-style-type: none"> • Export Declaration • Commercial invoices or equivalent documents • List of exported wood raw materials of the Ministry of Agriculture, Forestry and Fisheries • Export licenses or permits issued by foreign trade authorities • Certificate of inspection (notification of exemption of inspection, results of inspection, or equivalent documents) • Certificate of eligibility for export as provided for in the Investment Law • Commission of authority

Source: JICA survey team

(4) HS Classification

Items are classified using the HS-code of WCO with countries other than ASEAN. On the other hand, with ASEAN countries, the Unified Customs Category (AHTN Code) adopted by ASEAN is used.

(5) Taxation

The tax standard value for exports is the FOB price (the delivery price of the ship at the port of departure, excluding premiums and fares), and the tax standard value for imports is the CIF price (including the premiums and fares up to the port of import).

(6) Pre-Arrival Declaration system

Using VNACCS (Vietnam Automated Cargo Clearance System) in Vietnam, the pre-arrival declaration system is available. The application may be submitted from 15 days in advance, and application can be submitted before 4 hours for export, and one day for import. Tax payments are also available in advance in the pre-arrival declaration system.

In relation to Cambodia, for transit cargo to Cambodia via Cat Lai Port and Cai Mep Port near Ho Chi Minh City, only 24 hours before the port arrives can make a transit declaration at Cat Lai Port.

(7) AEO

In Vietnam, importers, exporters and customs brokers can acquire AEO. Currently there are about 70 import/export companies certified AEO at present, however there are no customs broker with AEO certified.

(8) Risk Management

There are Green, Yellow, and Red only, not Blue in the risk management system in Vietnam. In case a cargo classified as Red and suspected of violating or counterfeiting, the customs inspects the cargo.

(9) ACTS

ACTS has also been legislated by Vietnamese Customs and has been in operation since November 2020. However, according to the Vietnamese Customs, due to systematic technical issues, it seems that there is no customs declaration by ACTS at present. The Vietnamese Customs will improve the system-connection for the operation of ACTS in the future.

(10) Custom Clearance Time (Time Release Survey)

In Vietnam, a Time Release Study (TRS) was carried out in 2018. The target of this survey was to investigate the time of customs clearance at land borders, port borders, and airports. Although it analyzed data from 11 customs offices in all, data by route and by border point were not published. The results of the customs clearance time survey are shown in the table below.

Table 3.5 Custom Clearance Time in Vietnam (2018)

Criteria	Imports			Exports		
	Green (taxable)	Yellow	Red	Green (taxable)	Yellow	Red
Time for detailed inspection of records		0:19:48	0:16:33		0:08:41	0:09:34
Time for actual inspection of goods at the yard			0:53:17			0:24:23
Time for tax payment of HTNV	0:02:28	0:01:28	0:01:22	0:00:34	0:00:25	0:00:23

Note: hour:minute:seconds

Source: TRS, 2018 Vietnam Customs

Table 3.6 Custom Clearance Times by Route in Vietnam (2018)

Criteria	By sea	Roads	Air routes
Arrival at the port /border gate to enterprise registration of declaration	71:20:05	11:38:59	43:01:01
Registration to customs inspection	42:33:57	18:13:49	27:10:14
customs inspection to release	28:26:24	9:24:22	9:12:25
Total	142:20:26	39:17:10	79:23:40

Note: hour:minute:seconds

Source: TRS, 2018 Vietnam Customs

3.2.2 NSW

With the launch of ASEAN Economic Community, the General Department of Customs constructed a National Single Window based on the Customs Modernization Five-Year Plan. This VNACCS (Vietnam Automated Cargo and Port Consolidated System) was developed by the technical cooperation of Japan based on the Japanese NACCS (Nippon Automated Cargo and Port Consolidated System) and started operation in 2014. At present, about 99% of import and export applications are being submitted through this VNACCS.

In VNACCS, a series of customs clearance procedures, including the filing of customs clearance administrative procedures, authorization of relevant ministries and agencies, product classification, risk assessment, customs assessment, and tax payment, are integrated and can be carried out automatically. In addition, as a cargo management function, it is also operated as a port EDI that manages the conditions of cargo transport to and from customs management areas.

3.2.3 Plans to improve Customs Procedures (including AEO and risk management)

The General Department of Customs has created a strategy for the development of Vietnamese Customs by 2020 (hereinafter referred to as Strategy). The purpose of this strategy is to construct highly transparent international level of customs procedures and systems, and to promote legitimate trade, development of tourism and attraction of foreign investment, etc. Accordingly, the policy indicates various fields of strengthening such as application of information technology, unification of data processing, advanced risk management method, strengthening of organization, improvement of operation, human resource development, and application of information technology. Major targets and roadmaps for the improvement of the customs clearance system are as follows.

- Apply VNACCS by 2020 for 100% of state-and district-level customs sectors, 100% of basic customs operations, 90% of imports and exports, and 80% of enterprises
- Increase customs clearance time to a level comparable to developed Southeast Asian countries by 2020
- Reduce the percentage of physical cargo inspections to less than 7% by 2020
- Increase the percentage of export and import permits via VNACCS to 90% or more by 2020

3.2.4 SSI/CCA

Vietnam has concluded agreements on SSI/CCA development with Cambodia, Lao PDR, and China under CBTA's bilateral agreements. Among these, with Lao PDR, the operation of SSI/CCA has begun at the Lao Bao – Dansavanh border on the GMS East-West Economic Corridor since 2015. (However, operation has been discontinued since March 2020 due to the influence of COVID-19.) Details of operation of SSI at Lao Bao – Dansavanh are provided in Chapter 5 of this report.

General Department of Customs also remains in a position to promote SSI/CCA in principle. In fact, SSI/CCA has been introduced and operated in the Lao PDR border and Dansavanh.

Regarding the Moc Bai border, Vietnam Customs recognizes that it is difficult to obtain land of a scale that can be implemented by SSI/CCA in view of the available land area for the introduction of SWI, SSI/CCA required by CBTA. However, as described in Chapter 6, recently in the local province of Tay Ninh Province develops a plan to introduce SSI/CCA at Mac Bai border. In terms of the system,

the above-mentioned Lao Bao-Dansavanh border is in operation. So, discussions for the introduction of SWI, SSI/CCA will be promoted by Cambodian and Vietnamese officials in the future.

In connection with this, the Ministry of Public Works and Transport (MPWT) of Cambodia and the Ministry of Transport of Vietnam (MOT) established Joint Task Force (JTF) in December 2020 with the aim of facilitating the passage of national borders, and after selecting concrete members, the first meeting was held in December 2021 to continue discussions in the future. JTFs will establish three sub-working group for land, sea, and inland water transportation to advance discussions in each area. This land sub-working group would take care of CBTA, Bavet border improvement. Such a forum/bilateral dialogue among customs has not yet been established.

Furthermore, SSI/CCA based on CBTA at the Vietnamese-China border has not been implemented. This is because the Chinese government does not permit customs officials to perform their duties outside the border.

3.2.5 Current Issues

Customs clearance system in Vietnam is also advanced in terms of computerization and the construction of NSW compared to other GMS countries. In addition, the certificates of origin and quarantine are also computerized. In the on-line application, all documents required for the customs procedure are permitted to submit by electronic file, and the customs procedure can be handled on-line 24 hours a day. It can be said the system is completed.

As future challenges to be addressed, there is room for improvement in border management and operation rather than improvement of the customs clearance system in Vietnam. Especially from the viewpoint of speed-up of border crossing between Vietnam and Cambodia, the current Bavet - Moc Bai border need to improve the traffic capacity, considering the future increase of cargo volume and human flow. Currently, a new border was opened in Prey Vor between Cambodia and Vietnam in September 2020. However, considering the future increase of cargo volume and human flow. Considering the industrial location around Bavet border, the need of new border development in Bavet - Moc Bai might be significantly large.

In this regard, in the short term, Moc Bai border could improve the capacity for cross-border traffic, then in the medium to long term, development of a new Bavet - Moc Bai border will be conduct in consultation with Cambodia including introduction of SSI/CCA there. It is required collaborative work between Vietnam and Cambodia using the draft plan of Tay Ninh Province Economic Zone Authority as a starting point.

3.2.6 Supports from other Development Organizations (donors)

Vietnam Customs currently does not have any supports from other donors.

3.2.7 Potential Needs of International Cooperation in Improving Cross-Border Procedures

The relationship between Vietnamese customs and Japan is long, and the foundation has been established to implement some kind of cooperation between two countries on improvement of customs. The current status of Vietnam Customs is then viewed as a self-sustaining strategy to improve the system and foster staff, and there is little room for cooperation in areas other than those with high expertise in improving the quality of customs operations, such as classification, risk

assessment, customs evaluation, regulations of origin, protection of intellectual property, posterior investigations, inspections and detection.

On the other hand, from the viewpoint of speed-up/implement of cross-border procedure between Vietnam and Cambodia, the development of new borders at Bavet - Moc Bai is one of potential fields of cooperation. With regard to the new border, discussions on the location, size, and facilities of borders are also important. However, efforts toward the introduction of SSI/CCA are required. In this regard, there seems to be a need for technical cooperation. In addition, there are also issue regarding border operation like time-limit of truck's cross-border. This kind of issue can't solve along however need mutual efforts between Cambodia and Vietnam. There is a possibility of cooperation to facilitate both countries to improve borer operation reflecting the demands of private contractors and discuss for better operation.

CHAPTER 4 ISSUES

4.1 International Comparison of Customs Clearance in Cambodia

Logistics Performance Indicator (LPI) defined by World Bank is well known as an index for the international comparison of logistics sector. The logistics performance consists of six evaluations: 1) Customs, 2) Infrastructure, 3) International Shipping, 4) Logistics Competence, 5) Tracking & Tracing, and 6) Timeliness. In which, “Customs” are evaluated from the efficiency of customs and border management clearance.

LPI 2018 indicates Cambodia as 98th place in the overall rank. This is lower than neighboring countries such as Thailand, Vietnam and Lao PDR. The major factors are “Customs” and “Infrastructures” as shown in Table 4.1

Table 4.1 LPI in 2018

Country	LPI Rank	Customs	Infrastructure	International Shipping	Logistics Competence	Tracking & Tracing	Timeliness
Cambodia	98	2.37	2.14	2.79	2.41	2.52	3.16
Lao PDR	82	2.61	2.44	2.72	2.65	2.91	2.84
Myanmar	137	2.17	1.99	2.20	2.28	2.20	2.91
Singapore	7	3.89	4.06	3.58	4.10	4.08	4.32
Thailand	32	3.14	3.14	3.46	3.41	3.47	3.81
Vietnam	39	2.95	3.01	3.16	3.40	3.45	3.67

Source: Logistics Performance Indicator, World Bank

4.2 Issues

4.2.1 Perspective of Customs Clearance Improvement

Improvement of customs clearance and border-crossing procedure could contribute to enhance the international trade and promote foreign investment in Cambodia. In this survey, the following sections will examine issues of the procedure from the perspective of revitalizing and facilitating international logistics with Thailand and Vietnam.

The issues are considered in terms of the following three aspects.

- Advance procedures
- Border-crossing procedure
- Customs clearance procedure

4.2.2 Issues on the Procedure before Customs Clearance

For import/export the products, it is necessary to obtain the import/export licenses from the relevant ministries, the certificate of origin, the master list of QIP (in case of export) before taking the document examination at GDCE H.Q. The following issues could be pointed out in the procedures.

- Since the online system has been developing in the other organizations, Cambodian National Single Window are not yet sufficiently developed, so share of import/export information among the relevant organizations has obstacles to improve more. In particular the import/export license by other ministries tends to take certain time. According to the Time Release Survey in 2019, CDC takes 13 days for COD and others takes 1 to 6 days.
- Procedure before the customs clearance at GDCE takes almost one day. (According to the GDCE, customs declaration can be applied any time by online. Application after evening of one day before counts on the one day. But most of application can be completed within the same day.
- Although the pre-examination of import/export documents (e-Customs) is carried out at GDCE H.Q., customs clearance by ASYCUDA at the border is required. This cause duplicate works for users.
- Customs declaration at GDCE and the other ministries concerned are mainly done with PC currently, many private users take longer time on operation due to unmaturred skill of PC operation.

4.2.3 Issues of Border-Crossing

Customs clearance does not carry out at Bavet and Poipet borders, since off-border clearance has introduced in Cambodia which is to carry out customs clearance at SEZ or Dry Port. In order to cross the border, the permissions (Cross-border Request Letter) are required from Immigration Police and GDCE respectively. In addition, then, transit transport is made permission from the border to SEZ/Dry Port is necessary to obtain by GDCE. This transit transport is done with the cross-border request letter from the GDCE. Transit transport to the dry pot needs customs seal, and the seal is investigated at the Dry Port (the seal is used only Bavet border not Poipet border). There is the time limitation of cross-border (from 6:00 a.m. to 10:00 pm). Besides, to cross the border needs to carry out at the scheduled time. The following issues could be pointed out in the border-crossing.

(1) Common Issues

- In order to cross the border, Cross-border Request Letter from the immigration police and the GDCE are required respectively border cross. Since both of that are "handwritten" document, and the document to the immigration police requires information of applicant and information on vehicle number and container number only which are the same and a part of the information required by the GDCE's entry permission. it causes duplication works for the users.
- Transit from the border to SEZ/Dry Port near the border can be done with no document and after that transit for the customs procedure to be made at the outside the border areas (like Phnom Penh) needs transit permission. This transit permission can be done with electric method through Transit Module of e-Customs. This procedure requires almost same information as the customs declaration of ASYCUDA It seems duplication works. Although those procedure are done with different purpose, it can be improved to share the information in both procedures because there is same information required from both procedures.
- Due to the mixture border-crossing of people and vehicles, congestions at the border tend to happen. (However, there is currently no passenger traffic due to COVID-19)

(2) Bavet

- At Bavet border on Cambodian side, after the gate opens, people's flow, fresh food, and freight trucks are operated so that the ones that come first cross the border first. On the other hand, at the Moc Bai border on the Vietnamese side, freight trucks are not allowed to pass until 10:00 am in order to give priority to people's flow and fresh food, so that the freight trucks to the Cambodian side is not allowed to pass after 10:00 am. It results in causing traffic congestion of the freight trucks after 10:00 am.
- Since the time when the freight trucks can cross the border becomes later, the arrival of the freight trucks at the Dry Port and SEZ are delayed, then the start-time of the customs clearance is delayed, resulting sometimes in customs clearance is done on the next day.
- Many trucks of the fresh food pass within 2 hours until around 8:00 am, and then empty container trucks mainly pass until around 10:00 am. The procedure for cross border of the empty container was simple and quick, so the border road is quiet.
- The number of lanes on the roads in the buffer zone is two lanes on each side, and it is not possible to divide the lanes by type of vehicle and by purposes of traffic. It causes congestion.
- The time limitation for border crossing seems to be introduced in Vietnam side not in Cambodia side.

(3) Poipet

- Thai trucks try to come in Cambodia and return to Thailand in the same day due to minimize transport cost, so traffic tends to be concentrated in the morning. Since there is no traffic in the current state of the COVID-19, it is said that if the necessary procedures for border-crossing of the truck are completed, the trucks can pass from around 7:00 a.m.
- The border roads were congested because the vehicles heading from the Cambodian side to the Thai side also prioritized the passage of small vehicles to the Thai market and workers. Currently, there is no passenger traffic and small vehicles to bring vegetables under the COVID-19, so it is possible to cross the border even from around 7:00 a.m.
- It is still unpredictable what will happen when the situation becomes so-called "new normal", but it is expected to mitigate traffic congestion with the Stung Bot and Ban Nong border development.

4.2.4 Customs Clearance at the Border

As mentioned above, since off-border clearance has been introduced in Cambodia, the border manages only entry permission of passenger, driver and cargo. Accordingly, the cross-border at the border spends short time. After the border-cross, the cargo can be stored at SEZ/Dry Port and the customs clearance is done at the ASYCUDA Data Center. The ASYCUDA Data Center is the customs office to process export/import application, while the customs inspection is done at the SEZ/Dry Port by the customs staffs from the customs office. Transit permission is done at Bavet Customs Office located X-ray facility.

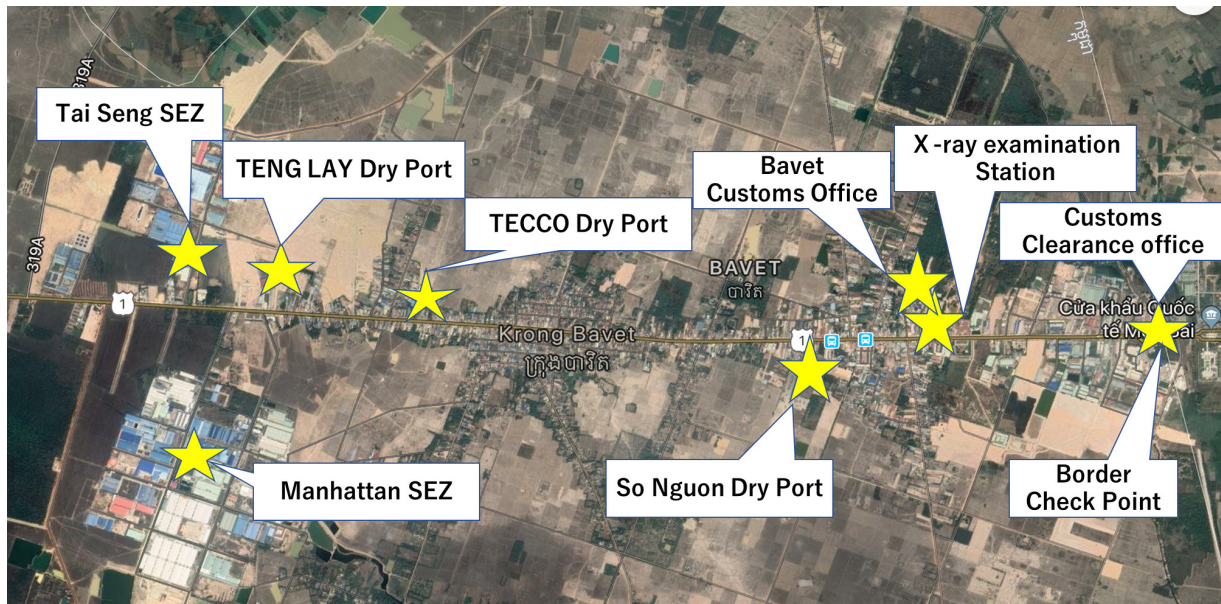
The reason why the off-border clearance was introduced is that customs clearance was carried out at the border when trade volume was low. But border facilities could no longer handle customs

clearance due to the increase in trade volume. In Cambodia, many commercial facilities such as casinos and hotels have been developed near the border such as Bavet and Poi Pet, so it is no longer possible to secure land for expanding customs clearance facilities in the border areas. So the customs clearance system at SEZ/Dry Port has been adopted. This may cause a problem in managing customs clearance work.

Details on current border issues are shown in Table 4.2.

(1) Bavet

- Since the distance between the Customs Center and SEZ/Dry Port is long, the customs brokers tend to take time to transport



Source: JICA Survey Team based of Google Earth

Figure 4.1 Location of the Facility near Bavet

- The different procedure between Cambodia and Vietnam, in Cambodia, the cross-border takes shorter tie due to the off-border clearance, while in Vietnam the cross-border takes more time due to the on-border clearance. Accordingly, the congestions are likely to occur at the border area. At this moment, since the private parking has developed at the buffer zone, the congestions tend to mitigate.
- Small capacity for customs clearance at Vietnam side in terms of facility and human resources. In Cambodia, there are two contact booths with several staffs, while in Vietnam, there are on contact booth and one lane for quarantine.

(2) Poipet

- Since a new border has been developed in Stung Bot, it is expected that the traffic congestion due to insufficient capacity at Poipet and Aranyaprathet will be improved. Another challenge is to realize SSI/CCA in Stung Bot. The discussion on management of this new border is not tarted between customs of both countries.

Table 4.2 Issues at the Borders

Type of Issue	Organization	Advance Procedure	Border-Crossing Procedure	Customs Clearance Procedure
Procedures and System	GDCE	<p>[All Land Borders]</p> <ul style="list-style-type: none"> Procedure before the customs clearance at GDCE is necessary. Although the pre-examination of import/export documents (e-Customs) is carried out at GDCE H.Q., customs clearance by ASYCUDA at the border is required. This cause duplicate works for users. 	<p>[All Land Borders]</p> <ul style="list-style-type: none"> "Cross-border Request Letter" has not been computerized (handwriting format) 	<p>[All Land Borders]</p> <ul style="list-style-type: none"> There is a long waiting time for customs clearance at SEZ/Dry Port. Sometime the procedure is carried out next day. This is due to concentration of freight trucks in the afternoon Data input duplication to ASYCUDA is required even though the prior procedure by e-Customs at GDCE H.Q. has carried out
	OGA	<p>[OGA]/[All Land Borders]</p> <ul style="list-style-type: none"> Although the online system has been developing, connecting to NSW is still not full. IT literacy is limited for the staff Digital procedure may take time due to the IT environment including number of PCs, power supply, internet connection, and system errors. 	<p>[Immigration Police]</p> <ul style="list-style-type: none"> The "cross-border request letter" is handwriting format, not digitalized 	
	Private Sector	<p>[All Land Borders]</p> <ul style="list-style-type: none"> Newly introduced online system for import/export has not well used by private sector due to lack of equipment and human resources 	<p>[All Land Borders]</p> <ul style="list-style-type: none"> In case the documents for cargo or/and vehicle are incomplete, correction takes certain times. It also causes traffic congestions because the trucks tend to wait the roadside near the border 	
Operation	GDCE, Immigration Police		<p>[Common: Bavet and Poipet]</p> <ul style="list-style-type: none"> The fresh food truck border crossing and general cargo border crossing have no distinction and processed first come first serve bases. <p>[Bavet]</p> <ul style="list-style-type: none"> The customs clearance at SEZ/Dry Port cannot be done in the same day of arrival due to late arrival of cargo trucks to the border (congestion at the border) 	

Type of Issue	Organization	Advance Procedure	Border-Crossing Procedure	Customs Clearance Procedure
			<p>[Bavet]</p> <ul style="list-style-type: none"> Convoy trucks for outbound tend to wait at roadside near the border which cause traffic congestions and waste of time. However, it becomes better because of development of a private parking Concentration of truck cause the traffic congestion. Inbound peak hour starts around 10:00, while outbound is after 15:00. Road width and number of lanes of border road is not enough <p>[Poipet]</p> <ul style="list-style-type: none"> Road width and number of lanes of border road is not enough 	<p>[Bavet]</p> <ul style="list-style-type: none"> Since the distance between the Customs Center and SEZ/Dry Port is long, the customs agents takes time to move around <p>[Poipet]</p> <ul style="list-style-type: none"> There is no major issue because Stung Bot Border opening is expected.
Operation	Neighboring Country Thailand and Vietnam		<p>[Bavet]</p> <ul style="list-style-type: none"> In case one import/export permit in multiple trucks, all trucks must cross the border together. However there is no waiting place until the trucks are lined up. (Recently the private parking has opened and contribute to reduce such congestion) <p>[Poipet]</p> <ul style="list-style-type: none"> Concentration of truck cause the traffic congestion. Inbound peak hour is from 10:00, to 15:00 however there is only one lane in Thai side. 	<p>[Bavet]</p> <ul style="list-style-type: none"> Small capacity for customs clearance at Vietnam side in terms of facility and human resources. In Cambodia, there are two contact booths with several team, while in Vietnam, there are one contact booth and one lane for quarantine. The different procedure between Cambodia and Vietnam, in Cambodia, off-border clearance has introduced, while in Vietnam on-border clearance. The congestions are likely to occur at the border area. At this moment, since the private parking has developed at the buffer zone, the congestions tend to be mitigated. Customs clearance is likely to take time due to their detailed examination <p>[Poipet]</p> <ul style="list-style-type: none"> There is no major issue by Thai side Since land import/export is insignificant, the momentum for border improvement is not high

Note: OGA means Other Government Agencies

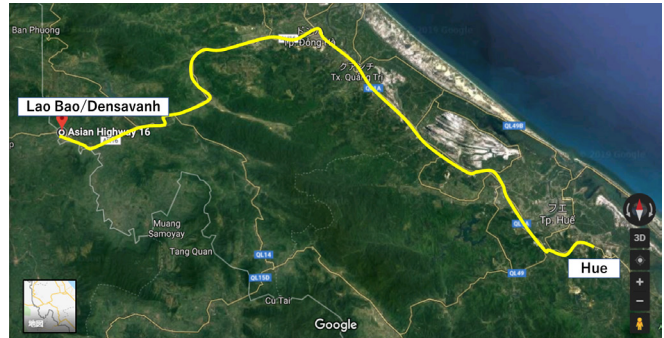
Source: JICA Survey Team

CHAPTER 5 EXAMPLES OF LAND BORDERS IN OTHER COUNTRY

To solve Cambodia's border-clearance speeding issues, the following examples were studied and summarized as below.

5.1 Lao Bao – Dansavanh Border

Lao Bao - Dansavanh border between Vietnam and Lao PDR is part of the Mekong-East-West Corridor, and SSI/CCA began in 2015 with support from the ADB under the agreement between the two countries for border operations based on CBTA. At the border, export confirmation procedures and import customs clearance procedures are carried out at the border facilities of each importing country. The following information were obtained when visiting the Cambodian logistics system improvement project (JICA) in February and June 2019.



Source: JICA Survey Team based on Google Earth

Figure 5.1 Location of Lao Bao-

In order to introduce SSI/CCA, MOU was exchanged in both countries and preparations for introduction were advanced,

however it took about 10 years to introduce it in 2015. According to the records at that time, three main factors were necessary for realization: (1) arrangement of actions based on the MOU, (2) support for language training of local staff, and (3) friendly relations between the two countries.

Regarding (1), After the MOU was signed, Lao Bao - Dansavanh the border related authorities held a monthly meeting to discuss the tasks necessary for realizing SSI. For example, the MOU was considering inspections in four



Source: Cambodian Logistics System Improvement Project (JICA)

Figure 5.2 Lao Bao Dansavanh On-Premises Bulletin

separate measures (customs inspection, customs procedure inspection, quarantine, immigration), however in fact it was agreed that it is important to integrate the work into two (inspection and immigration) and clarify the merits of SSI /CCA.

With regard to (2), language can be a major obstacle in SSI/CCA, however in the case of Lao Bao Dansavanh, language learning courses etc. are held for customs staff with support from ADB, and it was important to improve the environment related to language learning.

Regarding (3), the SSI/CCA do not need to be stopped on the departure side, and the border procedure facilities are concentrated only on the country of entry side. When entering Vietnam from Lao, Lao customs exists on the Vietnamese side as they have office for "registration of departure from Lao for the vehicles and cargo at the vehicle transit window of Lao Customs", → "Vietnam Customs' entry registration of vehicles and cargoes" → "X-ray inspection of luggage other than container cargo" (The Lao side also conducts these operations for entry into Lao PDR), and the immigration counters on the Vietnamese side conducts "Departure control from Lao PDR by Lao Immigration and entry into Viet Nam by Viet Nam immigration seating side by side". It was assumed that friendly relations between the two countries were essential, such as the fact that the staff who carried out the "Lao departure procedure" and the "Vietnam entry procedure" were sitting side by side, and it was literally a "single window".

This is one of the most important points, and even if (1) the necessity of SSI and SWI is recognized between the two countries and (2) the environment for language acquisition is improved, it is considered that it is unlikely to be realized without friendly relations in (3). Since Lao PDR is a land locked country, it can be said that the incentive to improve border logistics was very strong. Even with the MOU agreed at the beginning in this way, it was felt that the key to success was to integrate these inspection operations into two with flexibility in light of practical operations and clarify the merits of SSI/CCA.

Regarding the actual customs clearance procedures, by pre-arrival import declaration procedures, document verification such as import declarations is carried out before trucks arrive at the border, and inspections of trucks are carried out as necessary and cargo crossing procedures at the border is carried out. As for export customs clearance procedures, due to the nature of export customs clearance, export declarations are made before being transported to the border, and operations at the border are limited because the export customs procedure at the border is to confirm that the cargo was inspected and exported out from the country.

When passing through the border, necessary payment and procedures can be done in importing country such as vehicle traffic fees, facility use tax, animal, phytosanitary fee, vehicle epidemic disinfection procedure, and processing fee. However, each fee requires to pay separately, the procedure tends to take certain time.

BIỂU MỨC THU PHÍ KIỂM DỊCH THỰC VẬT
PLANT QUARANTINE FEES
ការបាវាពារជំងឺជាមួយការពិនិត្យពិន័យសត្វល្អិតល្អន់ជំងឺជាមួយ:

TIẾNG VIỆT		ENGLISH		ខ្មែរ		ឃ្លាត	
STT	TÊN LỆ PHÍ	MỨC THU (đồng/vnđ)	NO	DESCRIPTION	FEE (USD/lot)	ឈ្មោះ/លេខស្របច្បាប់	លំដាប់ស្របច្បាប់
1	តំបន់ធានារ៉ាប់រង ១០០ តោន	15.000	1	Consignment (consignment) up to 100 tons	15.000	1	តំបន់ធានារ៉ាប់រង ១០០ តោន
2	តំបន់ធានារ៉ាប់រង ត្រូវ ទំនប់ ១០០ តោន	25.000	2	Lot of free seedling and live stem to 10 tons	25.000	2	តំបន់ធានារ៉ាប់រង ត្រូវ ទំនប់ ១០០ តោន
3	ផ្កា ផ្លែ ផ្លែឈើ ផ្លែឈើ	243.000	3	Wood types and wood chips	243.000	3	ផ្កា ផ្លែ ផ្លែឈើ ផ្លែឈើ
3.1	10-25 តោន	243.000	3.1	From 10-25 tons / m ³	243.000	3.1	10-25 តោន
3.2	25-50 តោន	396.000	3.2	From 25-50 tons / m ³	396.000	3.2	25-50 តោន
3.3	50-100 តោន	459.000	3.3	From 50-100 tons / m ³	459.000	3.3	50-100 តោន
3.4	100-200 តោន	522.000	3.4	From 100-200 tons / m ³	522.000	3.4	100-200 តោន
4	ផ្កា ផ្លែ ផ្លែឈើ ផ្លែឈើ	559.000	4	Fresh fruits, fresh flowers	559.000	4	ផ្កា ផ្លែ ផ្លែឈើ ផ្លែឈើ
4.1	10-25 តោន	321.000	4.1	From 10-25 tons	321.000	4.1	10-25 តោន
4.2	25-50 តោន	466.000	4.2	From 25-50 tons	466.000	4.2	25-50 តោន
4.3	50-100 តោន	529.000	4.3	From 50-100 tons	529.000	4.3	50-100 តោន
4.4	100-200 តោន	592.000	4.4	From 100-200 tons	592.000	4.4	100-200 តោន
5	ធុរកិច្ច ធុរកិច្ច ធុរកិច្ច ធុរកិច្ច	230.000	5	Coffee green beans, assorted rice, blood sausage	230.000	5	ធុរកិច្ច ធុរកិច្ច ធុរកិច្ច ធុរកិច្ច
5.1	10-20 តោន	230.000	5.1	10-20 tons	230.000	5.1	10-20 តោន
5.2	20-30 តោន	320.000	5.2	20-30 tons	320.000	5.2	20-30 តោន
5.3	30-40 តោន	410.000	5.3	30-40 tons	410.000	5.3	30-40 តោន
5.4	40-50 តោន	500.000	5.4	40-50 tons	500.000	5.4	40-50 តោន

Note: The fee in items 3, 4 and 5 shall be collected based on the weight of the goods. Importation of plant products is subject to the importation of plant products. Importation of plant products is subject to the importation of plant products. Importation of plant products is subject to the importation of plant products.

BIỂU MỨC THU PHÍ KIỂM DỊCH ĐỘNG VẬT
ANIMAL QUARANTINE FEES
ការបាវាពារជំងឺជាមួយការពិនិត្យពិន័យសត្វល្អិតល្អន់ជំងឺជាមួយ:

TIẾNG VIỆT		ENGLISH		ខ្មែរ		ឃ្លាត	
STT	TÊN LỆ PHÍ	MỨC THU	NO	DESCRIPTION	FEE	ឈ្មោះ/លេខស្របច្បាប់	លំដាប់ស្របច្បាប់
1	ប័ណ្ណបញ្ជាក់បញ្ជាក់បញ្ជាក់បញ្ជាក់	40.000	1	Quarantine certificate of animal and terrestrial animal products, aquatic products, imported, transited, temporarily imported for re-export (including bonded warehouse) and border gate transfer (unit of 1000kg/lot)	40.000	1	ប័ណ្ណបញ្ជាក់បញ្ជាក់បញ្ជាក់បញ្ជាក់
2	កិច្ចពិនិត្យសត្វល្អិតល្អន់		2	Clinical examination of animal		2	កិច្ចពិនិត្យសត្វល្អិតល្អន់
2.1	គ្រូសត្វ, គ្រូសត្វ, គ្រូសត្វ	50.000	2.1	Buffalo, cow, horse and goat (unit/lot/vehicle)	50.000	2.1	គ្រូសត្វ, គ្រូសត្វ, គ្រូសត្វ
2.2	គ្រូសត្វ (សត្វល្អិតល្អន់)	60.000	2.2	Pig (unit/lot/vehicle)	60.000	2.2	គ្រូសត្វ (សត្វល្អិតល្អន់)
2.3	គ្រូសត្វ (សត្វល្អិតល្អន់)	35.000	2.3	Poultry (unit/lot/vehicle)	35.000	2.3	គ្រូសត្វ (សត្វល្អិតល្អន់)
2.4	កិច្ចពិនិត្យសត្វល្អិតល្អន់	100.000	2.4	Clinical examination of aquatic animal products (unit/lot/vehicle)	100.000	2.4	កិច្ចពិនិត្យសត្វល្អិតល្អន់
2.5	កិច្ចពិនិត្យសត្វល្អិតល្អន់	200.000	2.5	Quarantine inspection of frozen animal products (unit/lot/vehicle)	200.000	2.5	កិច្ចពិនិត្យសត្វល្អិតល្អន់
2.6	កិច្ចពិនិត្យសត្វល្អិតល្អន់	65.000	2.6	Inspection and supervision of animal, animal products (including aquatic products) temporarily imported for re-export, border gate transfer, bonded warehouse, in transit (unit/lot/vehicle)	65.000	2.6	កិច្ចពិនិត្យសត្វល្អិតល្អន់

Note: Issued with Circular No. 285/2016 / TT-ATC dated November 14, 2016 by the Ministry of Finance

BIỂU MỨC THU PHÍ CÁC CÔNG TRÌNH KẾT CẤU HẠ TẦNG
INFRASTRUCTURE FEE
ថ្លៃប្រើប្រាស់ប្រព័ន្ធគ្រប់គ្រងការចេញចូលសត្វល្អិតល្អន់ជំងឺជាមួយ:

TIẾNG VIỆT		ENGLISH		ខ្មែរ		ឃ្លាត	
STT	TÊN LỆ PHÍ	MỨC THU (đồng/vnđ)	NO	DESCRIPTION	FEE	ឈ្មោះ/លេខស្របច្បាប់	លំដាប់ស្របច្បាប់
1	ផ្លូវ ផ្លូវ ផ្លូវ ផ្លូវ	200.000	1	Vehicle carrying wood of all kinds and use of all kinds with design board	200.000	1	ផ្លូវ ផ្លូវ ផ្លូវ ផ្លូវ
1.1	10-20 តោន	200.000	1.1	From 10-20 tons	200.000	1.1	10-20 តោន
1.2	20-30 តោន	300.000	1.2	From 20-30 tons	300.000	1.2	20-30 តោន
1.3	30-40 តោន	400.000	1.3	From 30-40 tons	400.000	1.3	30-40 តោន
1.4	40-50 តោន	500.000	1.4	From 40-50 tons	500.000	1.4	40-50 តោន
2	ផ្លូវ ផ្លូវ ផ្លូវ ផ្លូវ	700.000	2	Vehicle carrying other types of goods with design board	700.000	2	ផ្លូវ ផ្លូវ ផ្លូវ ផ្លូវ
2.1	10-20 តោន	500.000	2.1	From 10-20 tons	500.000	2.1	10-20 តោន
2.2	20-30 តោន	600.000	2.2	From 20-30 tons	600.000	2.2	20-30 តោន
2.3	30-40 តោន	700.000	2.3	From 30-40 tons	700.000	2.3	30-40 តោន
2.4	40-50 តោន	800.000	2.4	From 40-50 tons	800.000	2.4	40-50 តោន
3	ផ្លូវ ផ្លូវ ផ្លូវ ផ្លូវ	300.000	3	Vehicle carrying passenger vehicles with number of seats	300.000	3	ផ្លូវ ផ្លូវ ផ្លូវ ផ្លូវ
3.1	10-20 តោន	100.000	3.1	From 10-20 seats	100.000	3.1	10-20 តោន
3.2	20-30 តោន	200.000	3.2	From 20-30 seats	200.000	3.2	20-30 តោន







BIỂU MỨC THU PHÍ DỊCH VỤ KIỂM DỊCH Y TẾ
HEALTH QUARANTINE FEE
ថ្លៃប្រើប្រាស់ប្រព័ន្ធគ្រប់គ្រងការចេញចូលសត្វល្អិតល្អន់ជំងឺជាមួយ:

TIẾNG VIỆT		ENGLISH		ខ្មែរ		ឃ្លាត	
STT	TÊN LỆ PHÍ	MỨC THU	NO	DESCRIPTION	FEE	ឈ្មោះ/លេខស្របច្បាប់	លំដាប់ស្របច្បាប់
I	កិច្ចពិនិត្យសត្វល្អិតល្អន់	35.000	I	Health quarantine inspection for exit and transit with board	35.000	I	កិច្ចពិនិត្យសត្វល្អិតល្អន់
I.1	10-20 តោន	35.000	I.1	From 10-20 tons	35.000	I.1	10-20 តោន
I.2	20-30 តោន	45.000	I.2	From 20-30 tons	45.000	I.2	20-30 តោន
I.3	30-40 តោន	55.000	I.3	From 30-40 tons	55.000	I.3	30-40 តោន
I.4	40-50 តោន	65.000	I.4	From 40-50 tons	65.000	I.4	40-50 តោន
II	កិច្ចពិនិត្យសត្វល្អិតល្អន់	35.000	II	Disinfection (including cost for chemical) apply to all types of cross-border road vehicles with board	35.000	II	កិច្ចពិនិត្យសត្វល្អិតល្អន់
II.1	10-20 តោន	35.000	II.1	From 10-20 tons	35.000	II.1	10-20 តោន
II.2	20-30 តោន	45.000	II.2	From 20-30 tons	45.000	II.2	20-30 តោន
II.3	30-40 តោន	55.000	II.3	From 30-40 tons	55.000	II.3	30-40 តោន
II.4	40-50 តោន	65.000	II.4	From 40-50 tons	65.000	II.4	40-50 តោន
III	កិច្ចពិនិត្យសត្វល្អិតល្អន់	140.000	III	Health quarantine inspection for goods exported, imported or transited through land border gate	140.000	III	កិច្ចពិនិត្យសត្វល្អិតល្អន់
III.1	10-20 តោន	35.000	III.1	From 10-20 tons	35.000	III.1	10-20 តោន
III.2	20-30 តោន	45.000	III.2	From 20-30 tons	45.000	III.2	20-30 តោន
III.3	30-40 តោន	55.000	III.3	From 30-40 tons	55.000	III.3	30-40 តោន
III.4	40-50 តោន	65.000	III.4	From 40-50 tons	65.000	III.4	40-50 តោន

Source: Cambodian Logistics System Improvement Project (JICA)

Figure 5.3 Lao Bao - Dansavanh Facility Usage Fee Notice

At the Dansavanh border, the customs authorities also collect vehicle traffic fees (Figure 5.3 Dansavanh vehicle fee notice), however unlike import taxes, it is collected before departure on the Vietnamese side, so a separate payment procedure was required. Lao Bao - Dansavanh border is the only border that operates SSI/CCA using GMS CBTA to carry out cross-border procedures, however due to the influence of the COVID-19, cross-border procedures are currently being carried out in the form of the previous two steps, so early re-start of operation is awaited.

ល/ດ	ឈ្មោះ (Don vi) (Description)	រូបភាព (Hinh ảnh) (Photos)	ទឹកប្រាក់ (Mức thu) (Fee rate)
01	- ប័ណ្ណឆ្លង / ប័ណ្ណឆ្លង - giấy thông hành - Border pass		1\$ / 10.000 Kip
02	- រ៉ឺម៉ក, រ៉ឺម៉ក, រ៉ឺម៉ក - xe con, xe bán tải, xe jeep - saloon, pickup, jeep		25.000 Kip
03	- រ៉ឺម៉ក 7 ម៉ែត្រ ឡើងទៅ, រ៉ឺម៉ក 6 ម៉ែត្រ - xe buýt 7 chỗ ngồi, xe bán tải 6 bánh - Bus with 7 seats minimum And Truck with 6 wheels		50.000Kip
04	- រ៉ឺម៉ក 8 - 25 ម៉ែត្រ - xe khách 8-25 chỗ ngồi - Bus with 8-25 seats		80.000Kip
05	- រ៉ឺម៉ក ចាប់ពី 26 ម៉ែត្រ ឡើងទៅ - xe khách từ 26 chỗ ngồi trở lên - Bus with 26 seats maximum Or Over 26 Seats		150.000Kip
06	- រ៉ឺម៉ក 10 - 12 ម៉ែត្រ - Xe vận tải từ 10 - 12 bánh - Lorry with 10 - 12 wheels		80.000Kip
07	- រ៉ឺម៉ក 18 ម៉ែត្រ - Xe vận tải 18 bánh và Xếp kéo - Lorry with 18 wheels and Traller		165.000Kip
08	- ថ្លៃប្រាក់: 06-09 ថ្ងៃ; 15-22 ថ្ងៃ (ច័ន្ទ-ច័ន្ទ) - ថ្លៃប្រាក់: 06-09 ថ្ងៃ; 15-22 ថ្ងៃ (ច័ន្ទ-ច័ន្ទ) - Phí người: từ 6\$ giờ sáng; 15-22 giờ (Thứ 2 - Thứ 6) - Cũ Thu lấy và Chi trả - O.T fee From 6-9 am; 15-22 pm (Monday-Friday) and Saturday, Sunday.	O.T (Overtime)	-10.000 Kip / រ៉ឺម៉ក -10.000 Kip/gười -10.000 Kip/person

Source: Cambodian Logistics System Improvement Project (JICA)

Figure 5.4 Dansavanh Vehicle Fee Notice

5.2 Pilot Project at Thailand-Malaysia Border

On 17th June 2019, Sadao (Thailand) and Bukit Kayu Hitam (Malaysia) Customs, Immigration and Quarantine (CIQ) checkpoint, began to operate 24-hour customs service instead of the operation time from 5:00 to 23:00. This joint effort was to enhance seamless connectivity along the border, increase the flow of trade between the two countries, and reduce congestion at the border where there are the bottlenecks during rush hours.

The operation was initially for three months as trial basis. During this period, the number of trucks passing through the Sadao CIQ complex on both ways was between 12,000 and 13,000 per month, however the utilization of the extended operating hours, from 23:00 to 5:00, was still very low, say less than 1% of the total vehicle movement. This means that the 24-hour operation does not have a significant impact on enhancing bilateral trade between the two countries and does not boost overall economic growth. At this moment, the opening hour turned back the original schedule.

5.3 OSBPs in Africa

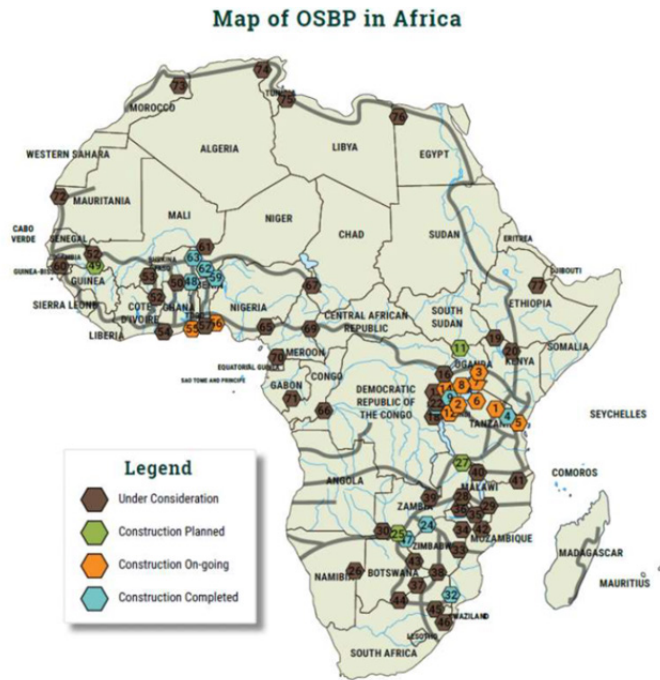
5.3.1 OSBP : One Stop Border Post

One Stop Border Post (OSBP) is a border facility that allows importers to perform border crossing procedures such as Quarantine, Immigration and Customs in each exporting and importing country, at a single stop at importing or exporting country facility. Efforts to reduce border crossing time have been carried out to enable faster border crossing procedures, such as the construction of border facilities, the operation of equipment, the creation of OSBP legal systems, and the development of economic corridors.

Since border bottlenecks vary from border to border, it is important to improve them by conducting necessary surveys, and international development organizations such as JICA, the African Union Development Agency (AUDA-NEPAD), the African Development Bank (AfDB), and Trademark East Africa (TMEA) are promoting OSBP implementation and operation support. The concept of OSBP is the same as GMS-CBTA's SSI/CCA, and there is no difference in border crossing procedures.

The first OSBP in Africa was built in 2009 on the Zambia-Zimbabwe border Chilundu, and according to the Programme for Infrastructure Development in Africa (PIDA), 76 OSBP facilities had been identified by 2017. It will increase to more than 100 OSBP installations in 2021.

In order to introduce and operate the OSPB system, it is necessary for the two adjacent countries of the target border to agree, promise the necessary laws and regulations, and operate it appropriately. JICA developed the OSBP Source Book¹³ in 2011, and in 2015, OSBP source book 2 was compiled and worked to spread it together with other development organizations such as AUDA-NEPAD, however the construction of OSBP facilities is increasing more and more, and the construction of OSBP facilities is progressing in order to collect best practices and make them more widely used.



Source: PIDA

Figure 5.5 Location of OSBP

¹³ OSBP Source Book : The Book was developed together with JICA and AUDA-NEPAD (African Union Development Agency-New Partnership for Africa's Development) and other donors to promote the OSBP concept and lessons learned by implementation agencies and countries. It can be down loaded from following website.
<https://www.nepad.org/publication/one-stop-border-post-sourcebook-2nd-edition>

5.3.2 Latest OSBP Case Studies

(1) Rusumo OSBP

Rusumo is an important border across Rwanda and Tanzania, along with cargo import and export routes from Kenya through Uganda. The Rusumo border is designed to allow customs clearance on the importing side with a complete Jaxta pose border. The customs clearance time at the border is as short as 2-3 hours in the latest customs time release study, and is operated efficiently.



Source : Google Map

Figure 5.6 Rusumo OSBP and OSBP Facility at Rwanda side

(2) Kazungula OSBP

The Kazungula OSBP, on the Botswana-Zambian border, is the latest OSBP went into operation in March 2021. Previously, truck cargo was transported across the Zambezi River by ferry boat, but a huge Kazungula Bridge has been built and a modern facility was constructed at both side of the border.



Source : Google Map

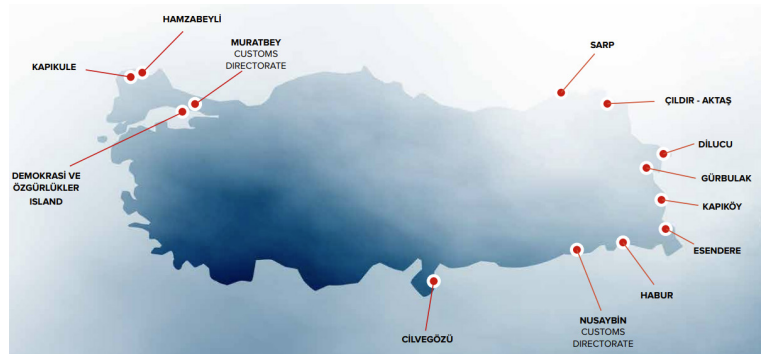
Figure 5.7 Kazungula OSBP and OSBP facility of Zambia side

5.4 Private Border Management Company

In Turkey, customs tourism company Owned Corporation (GTI: Gümrük ve Turizm İşmeleri Ticaret A.Ş) was established in 2005 in partnership with the Turkish Chamber of Commerce and Industry and the Commodity Exchange Association and commodity exchanges and promoted the modernization of the border gate under the framework of the "Construction Operation Transfer Model (BOT: Build-Operate-Transfer)."

Under Turkey's BOT model, the government provides the land necessary for the construction of border facilities, and GTI invests for construction of the facility, and the investment funds are collected over 20 years from tenant fees such as tolls at border facilities, parking fees, and duty-free shops (unit price setting).

There are 13 borders built in Turkey, however there are small scale low-traffic borders which are unprofitable to proceed with BOT, Therefore GTI combining several high-traffic borders with some low-traffic borders for recovery of investments.



Source: GTI Website

Figure 5.8 Location of Private Border in Turkey

Example: Kapikule Border Gate

The Kapikule Border Gate is located at the border with Bulgaria, with a field area of 333,000 square meters and an indoor area of 41,240 square meters, making it a gateway for European and Asian people and cargo. An average of 620,000 trucks, 1,360,000 passenger cars and 6,300,000 passengers are served duty-free shops, food and beverage areas, markets, gift shops and gas station services per year.

Kapikule Truck Parking Area

The Kapikule Truck Parking Area was built in 2015 to provide a waiting area (staging area) for truckers to prevent convoys of trucks forming on the main road behind the Kapikule border gate. The truck park, which has an area of 93,000 square meters and an 83,000 square meters car park, has made it possible for drivers to wait in modern places. The truck park offers food and beverage service areas, showers, toilets, barbershops, markets, and other service areas.



Source: GTI Website

Figure 5.9 Kapikule Border Gate



Source: GTI Website

Figure 5.10 Kapikule Truck Parking

Parking Operation System

The parking has a system to manage the entry and exit of truck vehicles, and it uses a border entry management system connected to customs and provides a mechanism that continuously controls entry and exit between the border gate and the parking lot by the pager (warning device) provided. Truck drivers can get the exit number through the parking kiosk and are able to move smoothly to the border gate entrance.

Border Clearance System

Although the border crossing procedure has two stops and OSBP and SSI/CCA have not been introduced, modern equipment has established a system that allows truck drivers process customs procedures step by step by submitting customs documents from the driver's seat to the person in charge for immigration or Customs through a window. The driver gets off the truck only when the driver is inspected in the driver's seat by the customs. Import and export customs clearance is realized by a transit customs system that is interconnected with EU countries

CHAPTER 6 CONSIDERATION OF SSI/CCA INTRODUCTION

6.1 Approach to introducing SSI/CCA to borders

The cross-border procedures described in the previous chapter with SSI/CCA, OSBP, and Off-Border Clearance are compared with the general two-stop clearance system as shown in Table 6.1

There is no significant difference in any border form of export customs clearance or transit customs clearance. Regarding import customs clearance, there is no difference in customs clearance between SSI/CCA and OSBP, but there is a significant difference compared to Off-Border clearance currently introduced by Cambodia. As described in Table 6.1, OSBP basically introduces various OSBP case studies in the "OSBP Source Book". In the introduction, it is possible to conduct a study between the two countries that are bordering and build an OSBP in a format that matches the actual situation of the border. I

Since the customs clearance system by SSI/CCA and OSBP has the same basic theory that the clearance procedures of exporting country will be completed in the importing country it is desirable to be able to build a system that matches the actual situation of each border and can be mutually convincing.

With the introduction of OSBP in Africa, officials of relevant government agencies, from the launch of bilateral consultations to the policy level and the field level of the two countries, prepared OSBP operation manuals and procedures manuals at a pace of about once every two months, leading to the actual introduction of the OSBP system. Donors' support for such ownership is thought to have led to the success of the introduction. In addition, sharing these experiences with other countries in the form of "compiling OSBP sourcebooks" seems to have led to the introduction of OSBP a success. In addition, in Africa, a system in which vehicles cross national borders has been introduced for quite some time, and the fact that there was no restriction on passage if the toll is paid seems to have supported the introduction of OSBP.

The Off- Border Clearance system currently in operation in Cambodia is considered to be reasonable because it is not possible to deploy sufficient customs facilities near the border, but since it is thought that it will be more and more difficult to control customs clearance as the amount of trade increases in the future due to the dotted number of Dry Ports near the border area, I think that it is necessary to have a facility where Dry Ports are consolidated into one place and customs officials gather there. In Myanmar, the Ministry of Commerce has installed and maintained such cargo clearance facilities, and this method is considered to be helpful.

Table 6.1 Comparative Study of Customs Clearance Procedures at SSI/CCA, OSBP, Off-Border Clearance Facilities

	General Two Stop Border	Off-Border Clearance Facility	SSI/CCA	OSBP
Outline of the system	<ul style="list-style-type: none"> At general land borders export procedure will be done at exporting country and complete all procedures necessary for crossing borders, then proceed to the importing country, and carry out the procedures necessary for importing the goods in the importing country. Therefore, it is necessary to stop and perform the procedure twice, once at exporting country and once at importing country. 	<ul style="list-style-type: none"> Off-Border Clearance is a system in which customs clearance procedures are carried out at Dry Ports or SEZ within a short distance from the border. This method is used in Bavet and Poipet in Cambodia. Within cross-border procedures, cross-border security checks, immigration, quarantine and cargo confirmation shall be carried out at the border, and cargo customs clearance shall be carried out at a Dry Port or SEZ. 	<ul style="list-style-type: none"> Single Stop Inspection/Common Control Area (SSI/CCA) is a simplified cross-border system for crossing land borders, "inspection by one stop" Single Stop Inspection in the Common Control Area. It refers to facility and systems designed to complete cross-border procedures at the border by a single stop (vehicle one stop) on the importing countryside. Exporting country officials of government at the border conduct their works at the facilities of the importing country. 	<ul style="list-style-type: none"> One Stop Border Post (OSBP) refers to facilities designed to enable export customs clearance and cross-border procedures of exporting countries and import customs clearance and cross-border procedures of importing countries by a single stop on the importing country's side at the land border. Exporting country officials of government at the border conduct their works at the facilities of the importing country.
Legal Statutes	<ul style="list-style-type: none"> Customs clearance procedures and customs clearance locations have been established in accordance with the Customs Law, and related regulations. Customs clearance is usually carried out at facilities within the border. 	<ul style="list-style-type: none"> Customs law stipulate that cargo clearance will be carried out in Dry Ports and SEZ. 	<ul style="list-style-type: none"> Article 4 of the Cross Border Transport Agreement (CBTA) and Annex 4 "Simplification of Cross Border Procedures" Each country reflects the contents of the CBTA agreement in related laws and regulations such as customs laws. 	<ul style="list-style-type: none"> OSBP Act The East Africa Community (EAC) has the EAC OSBP Act, but in other African countries, the two countries involved have concluded bilateral treaties and developed OSBP laws in their respective countries.
Customs Clearance Procedure	<ul style="list-style-type: none"> Export customs clearance procedures are generally carried out at the location of cargo such as exporter's factory, warehouse, Dry Port, etc. by submitting export declaration to the customs office in charge of the jurisdiction area. Then transport the cargo to the border with a customs seal by domestic transit procedures. 	<ul style="list-style-type: none"> Export customs clearance procedure is the same as general border customs clearance. Cargo is carried in to a place designated by customs (Dry Port, etc.) and cleared. In the case of SEZ, after receiving export permission from customs at the exporter's factory or warehouse, domestic transit procedures to the border are carried out and transported with a 	<ul style="list-style-type: none"> Export customs clearance procedure is the same as general two stop border customs clearance, with cargo stored in a place designated by customs (border area). In the case of SEZ, after receiving permission to export at the exporter's factory or warehouse, domestic transit procedures to the border are carried out and transported with a customs seal. Export customs clearance procedures continues at the border customs office 	<ul style="list-style-type: none"> Export customs clearance procedures are the same as in the SSI/CCA on the left and are carried out at OSBP facilities on the importing country.

	General Two Stop Border	Off-Border Clearance Facility	SSI/CCA	OSBP
	<ul style="list-style-type: none"> The export procedure at the border is to confirm the arrival of the cargo to the border, removal of the customs seal, and the export confirmation. 	<p>customs seal.</p>	<p>located at importing county by confirming the arrival of the cargo to the border, removing the customs seal, and confirming the export.</p>	
	<ul style="list-style-type: none"> As for the import customs clearance procedure, the truck arrives at the importing country from the exporting country, and then proceeds with the import declaration. If a license is required for import, it is necessary to obtain it at the relevant government office in advance, but if you do not have a license or if you find that a license is required for importation at the border, you will have to wait within the border area until the license is issued. 	<ul style="list-style-type: none"> Import customs clearance procedures are carried out at Dry Port or SEZ a few kilometers away from the border. Customs clearance procedure is the same as general border customs clearance. Because customs clearance is not carried out at the border, it is possible to cross the border faster. 	<ul style="list-style-type: none"> Import customs clearance procedures are usually processed by the arrival of trucks at the border, then an import declaration is made and processed by examination, inspection, duty payment, and import permits. If a pre-arrival declaration system is in place, you can complete document screening and tax payment before the arrival of the cargo at the border. If you check the customs seal after arriving at the border, you will be immediately granted an import permit except for the cargo that has been designated for inspection, and prompt customs clearance can be secured. If an import license is required, it must be obtained in advance. 	<ul style="list-style-type: none"> The import customs clearance procedure is the same as in the case of SSI/CCA on the left and is carried out at the OSBP facility on the importing countryside.
	<ul style="list-style-type: none"> In the case of transit cargo, it is usually necessary to provide security at the entry border, and the security return procedure is carried out at the departure border. The goods during transit between entry and departure of country it is enclosed with a customs seal. 	<ul style="list-style-type: none"> All cargoes carried from the border to the Dry Port are declared for transit at the border. It is necessary to provide security at the entry border, and the security return procedure is carried out at the departure border. The same is true for international transit, and international transit declarations are made at Dry Ports. 	<ul style="list-style-type: none"> In the case of a transit declaration, the procedure is same as Off-Border Clearance Facility. The difference is the office location, where exit procedure is carried out at the exporting country office at the importing country. 	<ul style="list-style-type: none"> The transit declaration procedure is the same as in the case of SSI/CCA on the left and is carried out at the OSBP facility on the side of importing country.
Socio-economic impact of border areas	<ul style="list-style-type: none"> In general, when customs clearance is carried out at the 	<ul style="list-style-type: none"> By installation of customs clearance sites, it is expected to 	<ul style="list-style-type: none"> In areas where borders are developed, a certain supply of social infrastructure is 	<ul style="list-style-type: none"> Same as the left, SSI/CCA.

	General Two Stop Border	Off-Border Clearance Facility	SSI/CCA	OSBP
	border, traffic congestion occurs at the main road towards the border as traffic increases, affecting local roads to local residents, and some measures are required.	<p>increase traffic volumes that might not have existed before. It is desirable to consider installation sites that give due consideration to local residents' local roads.</p> <ul style="list-style-type: none"> • On the other hand, it is thought that there is an economic effect on the vicinity of the facility users. 	<p>expected, depending on the location of the border, and it is expected to contribute to the local economy. However, if the investment or construction of factories using borders is not made, increase in logistics, and increase in trade would be limited.</p> <ul style="list-style-type: none"> • Since the increase in traffic volume will affect the social infrastructure of local residents due to traffic accidents and traffic jams, it is necessary to build the facilities with due consideration to local residents, including roads connected to the border. 	
Advantages	<ul style="list-style-type: none"> • Even in the event of problems such as congestion or customs clearance at the border, you can come up with your own measures. 	<ul style="list-style-type: none"> • Large parking is not required at the border, as the minimum necessary verification procedures are required at the border. • In Cambodia, it takes about 9 minutes per truck to complete the border crossing procedure. • It is not necessary to build a large border facility at a border with little logistics. 	<ul style="list-style-type: none"> • Compared to general border customs procedures, all cross-border procedures can be carried out by parking trucks at one facility where the procedures are performed. • Customs clearance procedures have no significant merits because they must be carried out for each exporting country and importing country, but if there is a cargo inspection, it can be completed by a single inspection by jointly inspecting by the relevant government office. • By operating the pre-arrival import declaration system, the verification and examination of import declaration can be completed in advance before cargo arriving at the border, and convenience can be improved. • Immigration procedures can be carried out continuously with a single application for departure and arrival and improv convenience. 	<ul style="list-style-type: none"> • Same as the left, SSI/CCA.
Disadvantages	<ul style="list-style-type: none"> • It is necessary to carry out cross-border procedures on both the exporting country and 	<ul style="list-style-type: none"> • From transporting domestically from the border to the Dry Port, it is necessary to manage risks such 	<ul style="list-style-type: none"> • Since both export and import procedures are carried out in one place, a large site for the construction of border facilities and truck 	<ul style="list-style-type: none"> • Same as the left, SSI/CCA. • The OSBP border is often located in an area surrounded by

	General Two Stop Border	Off-Border Clearance Facility	SSI/CCA	OSBP
	the importing country.	as unloading and smuggling at the time of transportation (transportation monitoring system, customs seal, escort, etc.)	parking is required.	mountains and valleys, and it is often difficult to support the daily lives of the people who work there.
Reference	•	<ul style="list-style-type: none"> • Myanmar also has an Off-Border Clearance system. • In Myanmar, cargo clearance facilities were under the jurisdiction of the Ministry of Commerce and were stipulated in the law to be built within 6 km of the border. • There were offices of relevant ministries and agencies and customs brokers in the cargo clearance facility, and cargo inspection sites and inspection personnel were also arranged, and the usability seemed to be good. 	<ul style="list-style-type: none"> • GMS-CBTA is a multilateral agreement initiated by Thailand, Vietnam, and Laos in 1999 under the initiative of the Asian Development Bank (ADB) (signed by Cambodia on November 29, 2001). China and Myanmar also signed later. • Pre-arrival import declarations were implemented at the border between Laos and Vietnam. Duty payment is also done in advance. As a result, customs clearance at the border ends only by carrying out cargo confirmation (inspection) as same as in the case of export. • In addition to immigration and customs procedures, animal and plant quarantine and human quarantine are also required, but these can be labor-saving by sharing the inspection results between the two countries. 	<ul style="list-style-type: none"> • Some facilities have been equipped with welfare programs, cafeterias, driver's daily necessities, duty-free shops, etc. to improve convenience. A number of OSBP installations are underway in eastern, southern and western Africa.
	•	•	<ul style="list-style-type: none"> • The Cambodian Customs Law stipulates the customs area for customs operations in Article 4. It allows customs officials to conduct operations outside the customs territory by Cabinet Order, and also allows customs officials of foreign governments to conduct export and import operations in Cambodian customs territory. 	•

6.2 Consideration of Introduction of SSI/CCA in Cambodia

6.2.1 MOU related to SSI/CCA

Customs offices at main land borders in Cambodia use the Off-Border Clearance system, which transports cargo to Dry Ports or SEZ after crossing the border for import customs clearance. Meanwhile, Vietnam and Thailand have agreed to introduce customs clearance using the SSI/CCA system based on GMS-CBTA.

On the Border of Bavet - Moc Bai, the Cambodian government and the Vietnamese government have signed a Memorandum of Understanding (MOU) on March 6, 2006, and agreed to prepare to introduce SSI/CCA. At the 19th meeting of Cambodia Vietnam Joint Commission on Economic, Cultural, Scientific and Technological Cooperation meeting held on 19th December 2021, there was information that the Vietnamese side made remarks on the implementation of SSI/CCA (details are unknown), and future trends are attracting attention.

**Memorandum of Understanding on March 6, 2006 to introduce SSI/CCA between
Vietnam and Cambodia**

“Memorandum of Understanding between the Royal Government of Cambodia and the Government of the Socialist Republic of Vietnam on the Initial Implementation at Bavet, the Kingdom of Cambodia and Moc Bai, the Socialist Republic of Vietnam of the Agreement between and among the Governments of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Vietnam for Facilitation of Cross-Border Transport of Goods and People”

On the other hand, the Cambodian government and the Thai government have prepared a Memorandum of Understanding on the Poipet - Aranyaprathet border on July 4, 2005, but until now, preparations for the introduction of SSI/CCA have not been made. It is presumed that SSI/CCA will be considered if the Stung Bot border is in operation in the future. However, since such a Memorandum of Understanding has not been signed at the Stung Bot border, in order to introduce SSI/CCA, it is necessary to first form an agreement between the two countries.

**Memorandum of Understanding on July 4, 2005 to Introduce SSI and SWI/CCA between
Cambodia and Thailand**

“Memorandum of Understanding on the Initial Implementation at Aranyaprathet, Kingdom of Thailand and Poipet, Kingdom of Cambodia of the Agreement between and among the Governments of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Vietnam for Facilitation of Cross-Border Transport of Goods and People”

Chapters 5 and 6 examined the challenges for introducing SSI/CCA at the Bavet border based on foreign country case analysis and comparative examination of customs clearance procedures at SSI/CCA, OSBP, and Off-Border Clearance facilities. GMS-CBTA includes a variety of guidelines for implementation, but the most important thing is how to introduce SSI/CCA to function.

6.2.2 Introduction of SSI/CCA to the Bavet Border (New Bavet Border)

At the Bavet border, the momentum for building new borders is increasing with the increase in traffic. First of all, an agreement to introduce SSI/CCA at the new border needs to be formed, and based on this agreement, we will consider how to realize the introduction of SSI/CCA at the new border.

(1) Conditions for Implementing SSI/CCA

The first condition is the development of laws and regulations to enable border officials of the two countries to conduct their own export operations on the importing countryside. The Vietnamese side has already introduced SSI/CCA at the border with Lao P.D.R. and the Lao Bao-Dansavanh border, so we can make use of this experience at the border with Cambodia because there are already laws and regulations. Cambodian Customs already has been required by the Customs Law to perform duties with each other on the territory of the other country, but in addition to customs, it is necessary to revise it so that officials such as immigration and quarantine can also perform business on the territory of the other country.

The second condition is the development of facilities to implement SSI/CCA on the Cambodia side and Vietnamese side. The Vietnamese side has plans to develop an SSI/CCA on 16.5Ha of land south of the existing Moc Bai border gate as an initial idea. When considering the CCI/CCA on the Cambodian side, it is practical to formulate a plan based on the coordination with this Vietnamese plan. Specifically, we will consider the appropriate location and scale of SSI/CCA on the Cambodian side and how to obtain transportation access between SSI/CCA on the Cambodian side and SSI/CCA on the Vietnamese side (including considering the necessity of a new border gate).

The third condition is whether the Off-Border Clearance implemented by Cambodia can be changed to a customs clearance method by SSI/CCA at the border. In Cambodia, cargo is transported from the border to Dry Ports and SEZ before customs clearance is carried out. Currently, 40% of cargo passing through the Bavet border is carrying out customs clearance at Dry Ports around Bavet, 30% are cleared at SEZ around Bavet, and the remaining 30% are transported to Dry ports and SEZ in Phnom Penh and its suburbs.

The fourth condition is to agree a MoU on the introduction of SSI/CCA between the two countries, and to develop and agree on the operation manual of the facility, the manual of cargo clearance procedures, etc.

(2) Customs Clearance by SSI/CCA at the New Bavet Border

The customs clearance at SSI/CCA listed in the third condition was examined as follows.

Dry Port vs New Border

When introducing SSI/CCA at the new border, it is necessary to make it possible to quickly conduct customs clearance at the border. Specifically, for import cargo that customs clearance had been done at Dry Ports until now, if the pre-arrival import declaration system is introduced, the necessary documents are reviewed in advance, and when the cargo arrives at the border, the rest of the work for the import cargo is confirm it (inspection if necessary). In this way, smooth border customs clearance can be ensured.

The export cargo clearance can be done at Dry Ports, and when the goods transported and arrived at the importing country's border the remaining works are export confirmation, like this way it can minimize the export clearance procedure at the border.

Although the role of import customs clearance at Dry Ports will be no more necessary, it will continue to be effective as a place for transshipment of truck cargo, temporary storage of cargo, storage for export cargo customs clearance, and container packing work.

Study on Customs Clearance at SEZ

After the introduction of SSI/CCA, there is a challenge of whether to use SEZ for customs clearance for SEZ or change it to customs clearance at the border or can be a choice of importer.

Shipments for SEZ have been expedited for a long time, but we believe it is possible to process them under the pre-arrival import declaration system and conduct customs clearance at the border before transporting them to the SEZ. On the other hand, since SEZ has important operations such as customs clearance of export cargo and issuance of certificate of origin, withdrawing customs and related government offices from SEZ considering import customs clearance will stop the convenience of export customs clearance that has been provided so far, and the charm of SEZ will be halved. Therefore, we believe that the import and export customs clearance at SEZ will continue to be conducted at SEZ, and that the passage of cargo for SEZ at the border as soon as possible will contribute to reducing border congestion.

Cargo to be carried to Phnom Penh

Until now, cargoes transported to SEZ and Dry Ports in Phnom Penh had been transported to Dry Ports near the border. After the introduction of SSI/CCA, it is possible to process transit declarations at the border and allow transit with a customs seal in a short time. Customs clearance will be made at the Dry Port or SEZ of the final destination upon arrival.

As explained in previous discussions, if it is possible to make pre-arrival import declaration, it can be expected that the border dwell time of trucks will be shortened even with the introduction of SSI/CCA. On the other hand, if the pre-arrival import declaration is not introduced, it will be necessary to enter data into ASYCUDA after the truck arrives at the border, and since the border dwell time of the truck increases, it is necessary to secure parking space for the appropriate number of trucks. As it is before, it is possible to continue the Off-Border Clearance system by transporting the imported goods to Dry Port and SEZ after the construction of the new border, but it is not a Single Stop Inspection, and it remains doubtful whether it is worthy of the introduction of SSI/CCA.

In addition, since the Vietnamese side is still carrying out customs clearance procedures at the border and has already introduced a pre-arrival declaration system for imported cargo, we believe that SSI/CCA can be introduced with the same customs clearance system as of now even if it moves to the new border.

6.2.3 Introduction of SSI/CCA to Stung Bot Borders

The conditions for introducing SSI/CCA for the Stung Bot border, which construction is going on, were examined as follows.

(1) Conditions for implementing SSI/CCA

The first condition is the enforcement of laws and regulations to enable border officials of the two countries to conduct export clearance procedures in the other countries, on the importing countryside. In this regard, Cambodian customs and Thai customs already stipulate by customs law about performing duties with each other on the territory of the other country, but it is necessary to enable officials such as immigration control and quarantine to work on the territory of the other country.

The second condition is to secure a place where officials from both countries can perform their duties, but in this respect the Stung Bot border facility and Ban Nong Ian Border facility is designed on the premise of introducing SSI/CCA, and that there is no problem because the office of the staff related to the partner country border is secured.

The third condition is whether the Off-Border Clearance currently implemented by Cambodia can be changed to the customs clearance method by SSI/CCA at the border.

The fourth condition is to agree on a MOU on introduction of SSI/CCA between the two countries, and develop and agree on the operation manual of the facility, the manual of clearance procedures, etc.

After examining the necessary work to change Off-Border Clearance to SSI/CCA at the border, it is considered that the following work will be required.

(2) Customs clearance of SSI/CCA at the Stung Bot border

The customs clearance at SSI/CCA listed in the third condition was examined as follows.

Dry Port vs Stung Bot Border

In order to introduce SSI/CCA at the Stung Bot border, it is necessary to make it possible to quickly conduct customs clearance at the border. Specifically, it is necessary to introduce a pre-arrival import declaration system and ensure that documents have already been reviewed before the cargo arrives at the border. As a result, the remaining customs clearance procedures can only be confirmation of import cargo (inspection if necessary), and smooth border crossing can be realized.

The export cargo clearance can be done at Dry Ports, and when the goods transported and arrived at the importing country's border the remaining works are export confirmation, like this way it can minimize the export clearance procedure at the border.

Although the role of import customs clearance at Dry Ports will be no more necessary, it will continue to be effective as a place for transshipment of truck cargo, temporary storage of cargo, storage for export cargo customs clearance, and container packing work.

A study of customs clearance at SEZ.

Customs clearance for shipments for SEZ at the Stung Bot border is the same as described in 6.2.2 (2) above.

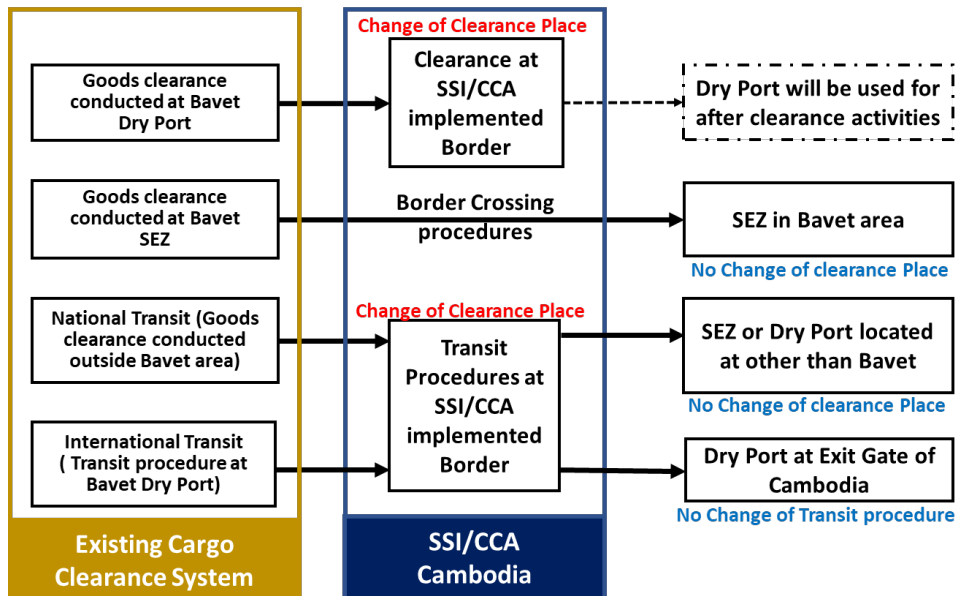
Cargo to be carried to Phnom Penh

Shipments carried to Phnom Penh's SEZ and Dry Ports at the Stung Bot border are in the same situation as described in 6.2.2 (2) above.

As described above, if it is possible to declare imported cargo before arrival at the border, the border dwell time of trucks can be shortened even if SSI/CCA is introduced. On the other hand, if the pre-arrival declaration of imported cargo is not introduced, the cargo clearance data registration into ASYCUDA will be done after arrival of cargo, and truck dwell time will be longer, the current space (about 60 trucks parking lots) will be small, and it is assumed that expanding the truck parking lot at the Stung Bot border will be required.

6.2.4 Customs Clearance for Introduction of SSI/CCA at Bavet New Border

(1) Import Customs clearance system



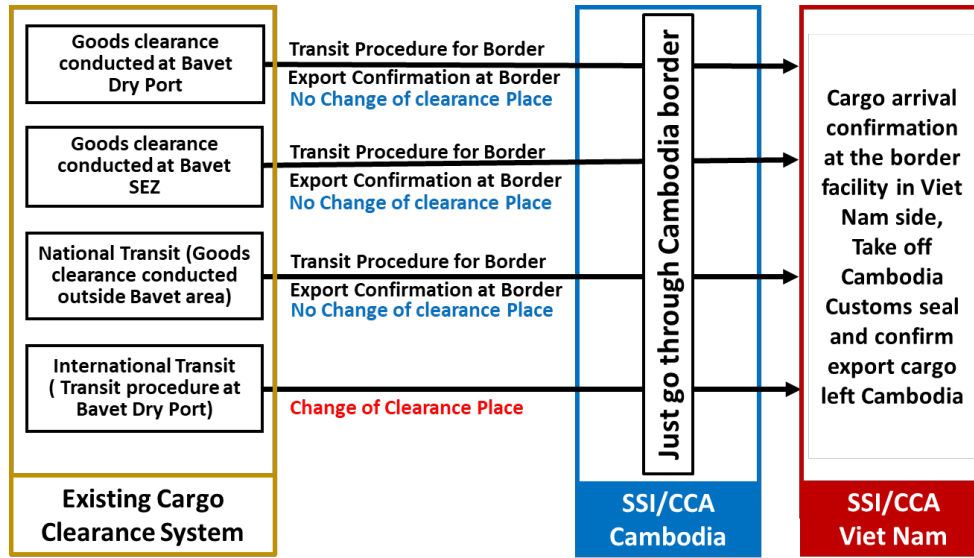
Source: JICA Research Team

Figure 6.1 Proposal to introduce SSI/CCA import procedure system

Based on discussions on the introduction of SSI/CCA at the 6.2.2, we examined what kind of customs clearance system would be introduced comparing to the current situation.

The cargoes stored in Dry Ports in Bavet will now be cleared within the border facility. There is a customs office in SEZ where customs clearance is carried out, and this will not change. In the case of domestic transit cargo to Phnom Penh and transit cargo to other countries (Thailand, etc.), transit declaration processing will be carried out at the border. If SSI/CCA is introduced in Bavet, it is assumed that customs clearance and transit operations that had been handled by Dry Ports will be processed at the SSI/CCA facility at the border.

(2) Export Customs Clearance System



Source: JICA Research Team

Figure 6.2 Proposal to introduce SSI/CCA export procedures system

Even with the introduction of SSI/CCA, there are few changes in the export customs clearance system. This is because there are no cases where SEZ export customs clearance are conducted at the border. The customs export procedures conducted at the border are to confirm the arrival of the cargo to the border, to confirm that the package was exported from the border to the other country. With the introduction of SSI/CCA, these operations will be carried out at facilities located in the partner country, and the Cambodian customs officials located there will perform these operations. When such a flow is illustrated, it becomes as shown in Figure. 6.2 above.

This is a list of Challenges for introducing SSI/CCA and actions need to be taken. The most affected system is the use of Dry Ports at the time of import, and exports have little impact. The challenge is that when it comes to introducing SSI/CCA, it is necessary to build a new facility at the border, but securing the location becomes a difficult problem.

Table 6.2 Challenges for Introduction of SSI/CCA Development at New Bavet Border

Implementation Challenges	Required actions
<ul style="list-style-type: none"> • MOU with Vietnam • Dry port operation after introduction of SSI/CCA • Negotiation with Dry Port and its operation • Selection of new border construction sites and acquisition costs 	<ul style="list-style-type: none"> • Drafting a new border implementation plan • Land acquisitions • Construction • Creation of CCA management manual • Review of customs procedures • Consider how to respond to Dry Port where no longer conducts the import clearance

Source : JICA Survey Team

CHAPTER 7 CONSIDERATION OF THE PRE-ARRIVAL IMPORT DECLARATION SYSTEM

7.1 Pre-arrival import declaration system and centralized declaration processing system

7.1.1 Issues of Customs Clearance in Cambodia

In this survey, we are proposing introduction of a pre-arrival import declaration system to land border. In order to introduce a pre-arrival import declaration system, it is necessary to incorporate the pre-clearance procedures (valuation declaration, HS classification, certificate of origin verification) currently carried out in e-Customs into ASYCUDA's import declaration procedure so that import declarations can be made as a single declaration. Hereinafter, the pre-arrival import declaration system was examined, and studied the declaration processing system (centralized declaration processing method or localized declaration processing method) for incorporating the pre-clearance procedure into ASYCUDA and making it a single declaration.

7.1.2 Pre-arrival import declaration system

The pre-arrival import declaration system allows import declarations to customs before cargo arrives to the importing country. In order to allow pre-arrival Import declaration, it is necessary to have documents that can confirm in advance that the cargo has departed from the exporting country and is coming to the importing country. In the case of import by ship or aircraft, a cargo manifest is prepared by shipping company or airline company when the cargo departs from the exporting country, and the cargo ship or aircraft may be submitted it to customs before they arrive at the importing port or airport. Customs allow pre-arrival import declaration upon this submission.

In the case of land borders, how to confirm this cargo manifest is a challenge. In some countries where have OSBP in Africa requires pre-arrival import declarations as mandatory and some countries penalize for not submitting pre-arrival import declarations, because they know from their experiences that if not make pre-arrival declaration it will take time for clearance at the border and cause congestion. The method of confirming imported cargo in such countries is a truck manifest by logistics company, Truck Bill or B/L originally issued by shipping companies, and if it can be confirmed that the cargo is for the importing country, the pre-arrival import declaration is possible. This method seems applicable also to Cambodia.

There are stages in the pre-arrival import declaration.

- A System that allows the submission of import declarations to customs: It allows submission of import declaration but import release permits are issued after cargo inspection and duty payment.
- System for submitting pre-arrival import declarations and allowing duty payment: Although submitting pre-arrival import declaration duty payments are permitted, import release permits

are issued after cargo inspections.

- A system that allows pre-arrival import clearance: applies to AEO or best trader that allows pre-arrival customs clearance. Remaining work for customs for import clearance is to confirm the arrival of cargo at border. The importer can immediately bring the goods to its premises. Customs may conduct post-clearance audit if necessary.

This must be reminded, since the pre-arrival import clearance system is a procedure of customs, it cannot be applied to the one that import inspection pertaining to other ministries and agencies are necessary.

We believe that it is possible to introduce a pre-arrival import declaration system at land border customs in Cambodia, but at present, since there is a "Pre-Clearance Procedure" by e-Customs, this part needs incorporated into the ASYCUDA declaration system. It is necessary to make it to a customs system (single declaration) that all import customs procedures are completed in one declaration.

7.1.3 Centralized and Decentralized Clearance Processing Methods

In Cambodia has a history of repeated trial and error between the centralization method and de-centralization method that applied for customs valuation verification, and at present, the de-centralization method is used except for some cargoes. Therefore, in introducing the pre-arrival import declaration system, we examined whether it is better to perform the import declaration to ASYCUDA by the centralization system or by a de-centralized system and examined which have more merit.

In Cambodia, there is a pre-clearance procedure in which the verification of customs documents is conducted in advance by the General Department of Customs and Excise. The document verification of the pre-clearance procedure is mainly as follows. (If you are the best trader, pre-clearance procedure is not required for customs valuation (including HS classification) and certificate of origin.)

- Customs valuation including HS classification: examination of the validity of the taxable value of imported goods, the HS classification of goods (applicable duty rate)
- Certificate of Origin verification: determination of origin of the goods affects the applicable tax rate (determination of whether or not the concession duty rate can be applied by FTA)
- Confirmation of import licenses by laws and regulations other than customs law
- Whether or not the tax exemption rate can be applied

At the end of the review, a Customs certificate will be issued for valuation verification and rules of origin verification, Customs permit for the application of the reduced duty-free rate. With these papers import declarations to ASYCUDA will be possible at the local customs office. The comparison in the case of the declaration processing by the centralized processing method and de-centralized processing method was made as follows.

Table 7.1 Comparison Table of Centralized and De-centralized Processing Method

item	Centralized processing method	De-centralized processing method
How declarations are processed	<ul style="list-style-type: none"> Make import declarations at the General Department Customs and Excise 	<ul style="list-style-type: none"> Make an import declaration at the local customs office
Quality of the examination	<ul style="list-style-type: none"> Declaration examination will be handled by centrally specialized officers A small number of elites can review documents, so you can maintain consistency in the interpretation of laws and regulations. 	<ul style="list-style-type: none"> Declaration examination will be handled by specialized officers but there might be a case where interpretation of the law is not in a unified manner There is a possibility that the interpretation of laws and regulations may be different because the person in charge is different in the region and the office
Officer allocation	<ul style="list-style-type: none"> If you can secure a certain number of officers with specialized knowledge, you can do so. 	<ul style="list-style-type: none"> Each district office needs to have officers with specialized knowledge
Convenience for importers and exporters	<ul style="list-style-type: none"> In order to ensure the convenience of local importers and exporters, it is necessary to process them in a completely paperless (online) manner. 	<ul style="list-style-type: none"> For local importers and exporters, it is highly convenient because it can be processed at a nearby office.
Management of examination officers	<ul style="list-style-type: none"> Ensuring fairness and transparency and eliminating adhesions 	<ul style="list-style-type: none"> It is not easy to reach the eye of monitoring for adhesion
Checking of cargo	<ul style="list-style-type: none"> Cannot confirm the goods. Cargo confirmation will depend on the description, photos, etc. of the documents. It will be necessary to rely on the officials of the local customs. 	<ul style="list-style-type: none"> You can confirm the goods directly
Training of experts	<ul style="list-style-type: none"> Customs expertise remains only among certain personnel, making it difficult to raise the level of knowledge of customs officials as a whole 	<ul style="list-style-type: none"> If there are many local offices, it is necessary to raise a large number of specialists. More officers are required than the centralized system.

Source : JICA survey team

In this way, in view of the current situation where central centralized processing method and de-centralized processing method, both have advantages and disadvantages, but computerization by ASYCUDA is also progressing, cargo inspection and confirmation are considered to be better to be conducted by relying on local customs officials and adopt centralized processing method would make more prompt and efficient business operations for customs.

7.2 Examples of Other Countries

As computerization progresses and the attached documents to the declaration can be processed by electronically, processing at the border (land and sea) will be concentrated on cargo inspections that can be confirmed directly by customs officials, and document screening is often performed by computer processing in the center.

For example, Kenya, Uganda, and Tanzania process import and export declarations using a centralized processing system. In Kenya, they apply shift work around the clock and take three shifts 24/7 to handle their operations. Access to and from the office is managed by a password, and

personal mobile phones are not allowed to use in the office.

In Zambia, the local centralized system is used, and it is a mechanism in which local key customs offices also conduct customs clearance for small-scale customs offices in rural areas.

In both cases, the submission of the declaration form is made via the internet by attaching the necessary documents in PDF, and everything is computerized, so even local customs brokers can submit the declaration form to the central system.

As the computerization of customs clearance systems has progressed in this way, the merits of the centralized processing system include stable execution of customs clearance operations, unification of interpretations of laws and regulations, and prevention of collusion are achieved.

CHAPTER 8 ACTIONS AND ROADMAP

8.1 Direction of Border Crossing Improvement

8.1.1 Necessity of Speeding Up the Border Crossing

Currently, Cambodian industry is a low-value-added light industry that imports raw materials, processes and exports products under preferential customs. Cambodian government has formulated the "Cambodian Industrial Development Policy 2015-2025" (IDP) to convert the structure of such current industry to a technical-based industry with high added value. In particular, it is important to promote the high added value of industries by focusing on attracting manufacturing industries that play a role in the supply chain of the manufacturing industry, such as machinery, electrical components, and assembly in Thailand and Vietnam. Furthermore, in Cambodia, as purchasing power rises due to population growth and economic growth, the volume and types of imports and exports are increasing, and the smoothness of trade and export and import in the future is becoming increasingly important. For this reason, the Government of Cambodia positioned smoothing trade as an important national measure in the National Strategic Development Plan (2019-2023).

Since Cambodia locates on the GMS Southern Economic Corridor and is between Thailand and Vietnam, the connectivity is important for the land transport. In fact, the connectivity has been strengthening by development and upgrade of the roads connecting with neighboring countries and implementation of CBTA. Improvement of border crossing, including border-crossing procedure, customs- related procedure and mitigation of traffic congestion at border area, is important and necessary for further development and trade facilitation in Cambodia.

8.1.2 Goal

For the private companies involved in import and export in Cambodia, the time and cost of import/export are the most important concerns. However, the transport time and costs for border crossing tend to be different in each time. It causes inconvenience for the manufacturing industries because they are difficult to anticipate transport time and schedule of product shipment.

Accordingly, the goal of accelerating the border-crossing procedures at land borders should aim at speed up and improving predictability. "Speed up" means that shorten time by simplifying the procedures and solving traffic congestions near the border area. "Improving Predictability" means time and cost for import and export could be estimated approximately in advance. For this, formulation of a stable environment for border crossing in terms of time and cost by providing quick, easy, and constant procedures is necessary.

GOAL: Improvement of Border Clearance and Predictability

Formulate a stable environment for border-crossing in terms of time and cost by introducing quick, easy, and constant procedure

8.1.3 Direction of Border Crossing Improvement

In order to achieve the goal, the actions need to be considered with a basis of following two directions.

Direction 1 : Improving of the System and Procedure	Introducing Pre-arrival Declaration, speed up of border crossing and customs clearance by improvement of each system for the advance procedure, the border crossing procedure and the customs clearance procedure
Direction 2 : Promoting Efficiency of the Border Operation	Speed up of border crossing by upgrading the border facilities and infrastructure and improvement of the border management

8.2 Actions

Practical actions need to be considered in order to “complete NSW by utilizing ASYCUDA as a main system”, “introduce Pre-Arrival Declaration” and “establish SSI, SWI/CCA”. Furthermore, the actions are also prepared in terms of three aspects: 1) advanced procedure, 2) border crossing procedure, and 3) customs clearance procedures explained in Chapter 2.

- To simplify and improve the efficiency of the advance procedures
- To speed up the border crossing procedure for cargo and cargo vehicles
- To improve the customs clearance procedures and predictability

Based on the three aspects above, the current issues and countermeasures are listed below.

Table 8.1 Issues and Proposed Actions (1)

Type	I.B.	Advance Procedure	Border Crossing Procedure	Customs Clearance Procedure
Procedures and Systems	GDCE	<ul style="list-style-type: none"> There is a pre-clearance procedure in advance of import declaration either HQ or local office of GDCE. Customs clearance procedure by ASYCUDA at a border is duplicating data input work. ACTS system is seldom used 	<ul style="list-style-type: none"> “Border-crossing Request Letter” for Immigration Police and GDCE are not computerized. Data for “Border-crossing Request Letter” for Immigration Police is part of the data for GDCE “Border-crossing Request Letter” and could be unified into one. ACTS system is seldom used 	<ul style="list-style-type: none"> Long waiting time for Customs confirmation after the cargo arrived at SEZ/Dry Port for customs clearance In addition to ASYCUDA customs clearance at the border, pre-clearance procedures is necessary. Duplicated data input is required. SSI/CCA is not introduced
		<p>Countermeasure</p> <p>[Short-and medium-term]</p> <ul style="list-style-type: none"> Implement single clearance system (incorporate pre-clearance procedure to ASYCUDA clearance procedure and make it a single clearance procedure) <p>[Long-term]</p> <ul style="list-style-type: none"> Expansion of ACTS (Ocean + Bilateral transit on land) 	<p>[Short-term]</p> <ul style="list-style-type: none"> Computerise “Border-crossing Request Letter” procedure and share part of the data with immigration police. <p>[Long-term]</p> <ul style="list-style-type: none"> Computerize ACTS customs seal (simplification of transit) 	<p>[Short-term]</p> <ul style="list-style-type: none"> Implement single clearance system (incorporate pre-clearance procedure to ASYCUDA clearance procedure and make it a single clearance procedure) <p>[Short-and medium-term]</p> <ul style="list-style-type: none"> Introduce “pre-arrival declaration system” Improve integrity of GDCE <p>[Medium-and long-term]</p> <ul style="list-style-type: none"> Introduction of SSI/CCA Bavet: long-term Poipet: Mid-term

Source: JICA Survey Team

Table 8.2 Issues and Proposed Actions (2)

Type	I.B.	Advance Procedure	Border Crossing Procedure	Customs Clearance Procedure
Procedures and systems	Other organization	<p>(Relevant OGA)</p> <ul style="list-style-type: none"> NSW connection is processing 90% of declarations by OGAs. Rest are the small number of declarations. 	<ul style="list-style-type: none"> (Immigration Police) Border-crossing Request Letter (by immigration police) is handwritten format and not computerized. 	<ul style="list-style-type: none"> Not applicable
	Private sector	<ul style="list-style-type: none"> Private companies sometimes can't use the online submission system (shortage of human resources and IT environment) 	<ul style="list-style-type: none"> Traffic congestion is caused by waiting trucks which is required to correct the documents (in case the documents are incomplete) 	<ul style="list-style-type: none"> Not applicable
		<p>Countermeasures</p> <p>[Short-and medium-term]</p> <ul style="list-style-type: none"> Improvement of NSW system and expansion of the application 	<p>[Short-term]</p> <ul style="list-style-type: none"> Computerize the Border-Crossing Request Letter (data sharing with GDCE) Connect to the system of Immigration Police through NSW 	
		<p>Countermeasures</p> <p>[Short-and medium-term]</p> <ul style="list-style-type: none"> Improvement of IT capacity of private companies (Support for human resource development, user manual development, and capital investment) 	<p>[Short-and medium-term]</p> <ul style="list-style-type: none"> Improvement of capacity on cross-border procedures of private companies 	

Source: JICA Survey Team

Table 8.3 Issues and Proposed Actions (3)

Type	I.B.	Advance Procedure	Border Crossing Procedure	Customs Clearance Procedure
Border Operation	GDCE and Immigration Police	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> After the opening of the border, priority are given to people's crossing and fresh food clearance. General cargo trucks cross the border after fresh foods. Late gate crossing time may result in delayed arrival at SEZ/Dry Port and may causing delayed customs clearance procedure in a next day. <p>Countermeasures [Short-term]</p> <ul style="list-style-type: none"> Improvement of border operations (allow general cargo track crossing the border earlier time) Activate Joint Border Control WG to improve border operations. 	<ul style="list-style-type: none"> Not applicable
	Neighboring Countries (Vietnam and Thailand)		<p>Congestion after opening the border</p> <ul style="list-style-type: none"> <u>Vietnam</u>: when several trucks cross the border under one import or export declaration, they must move together (both inbound and outbound) Therefore, trucks cannot cross the border until they are together in one group. <u>Thailand</u>: Outbound tracks are congesting the Thai side of the border entry road until 3pm. <p>Countermeasures [Short-term]</p> <ul style="list-style-type: none"> Activate Joint Border Control WG to improve border operations. 	<p>Differences in Border Procedures</p> <ul style="list-style-type: none"> <u>Vietnam</u>: The capacity of customs clearance seems small, and it takes time for returning trucks to complete border crossing procedures. <u>Thailand</u>: considering the volume of trade with Cambodia import volume is small, though the export has certain volume. Therefore, incentives for improvement of border clearance procedure is small for Thailand. <p>[Short-term]</p> <ul style="list-style-type: none"> Activate Joint Border Control WG to improve border operations.

Source: JICA Survey Team

Table 8.4 Issues and Proposed Actions (4)

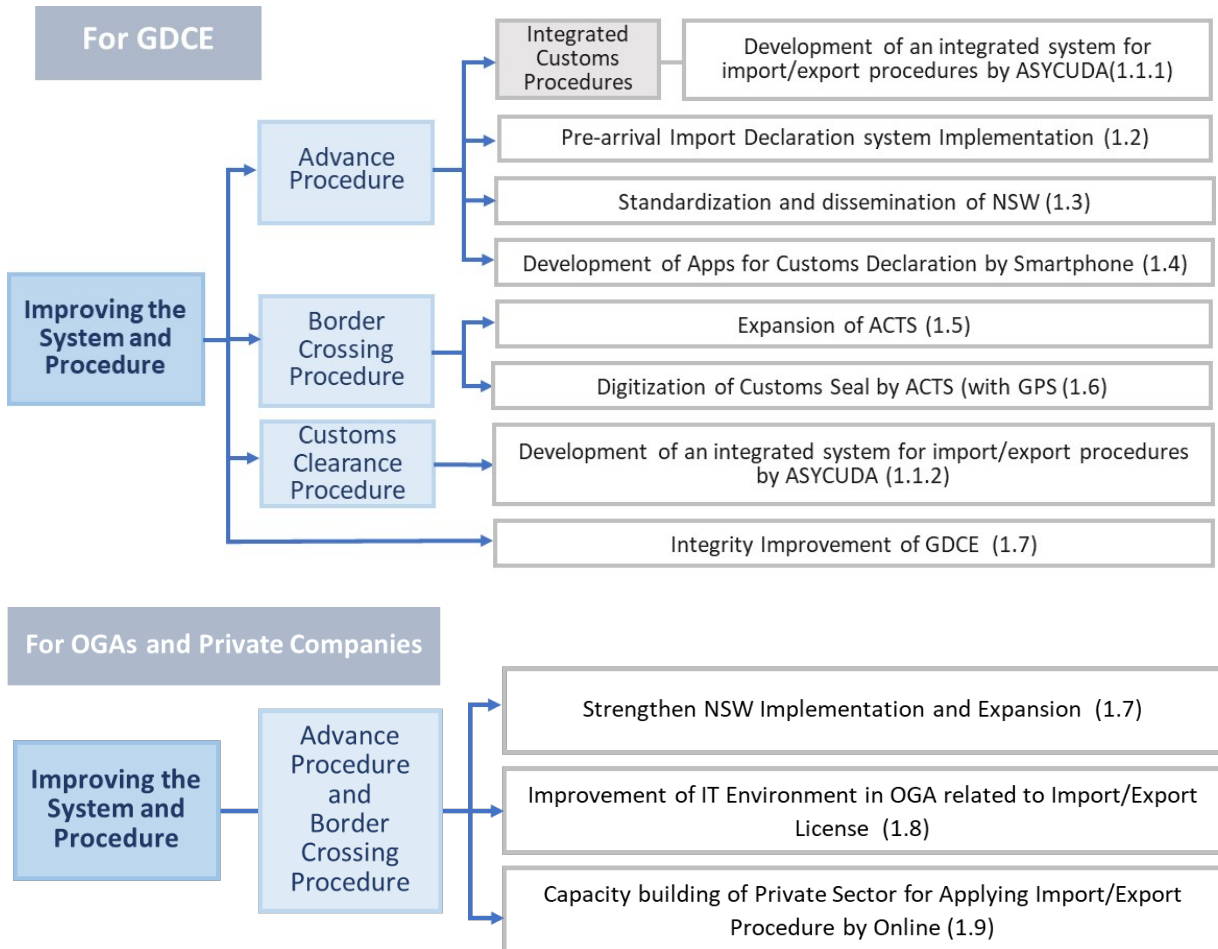
Type	I.B.	Advance Procedure	Border Crossing Procedure	Customs Clearance Procedure
Border Operation	Infrastructure and Facilities	<ul style="list-style-type: none"> Not applicable 	<p><Bavet></p> <ul style="list-style-type: none"> Trucks are waiting for documents and procedures on the street. As a result, traffic congestion are occurring. No parking spaces for trucks cross the border together (to form convoy) Insufficient number of lanes for border crossing <p><Poi Pet></p> <ul style="list-style-type: none"> Congestion by truck is happening at Thai side road heading to Cambodia. <p>Countermeasures [Short-and medium-term]</p> <ul style="list-style-type: none"> Bavet Border Infrastructure Improvement (Road widening, parking lot maintenance, etc.) Opening Stung Bot Border could relieve the traffic congestion at Poipet Expansion of the Stung Bot Border Facility (parking lots, railways, etc.) <p>[Medium-and long-term]</p> <ul style="list-style-type: none"> Construction of new Bavet border 	<p><Bavet></p> <ul style="list-style-type: none"> SSI/CCA at Bavet is not started to discuss with Viet Nam (Moc Bai) <p><Poi Pet></p> <ul style="list-style-type: none"> SSI/CCA at Stung Bot border is not discussed yet <p>[Medium-and long-term]</p> <ul style="list-style-type: none"> Capacity expansion of the border crossing road at Poipet. Implementation and development of Stung Bot border together with SSI/CCA

Source: JICA Survey Team

8.3 Actions by the Direction

8.3.1 Direction 1: Improving of the System and Procedure

Direction 1 is to facilitate the speeding up of border crossings by improving procedures for the advance procedure, the border crossing procedure, and the customs clearance procedure. The improvement of system and procedure might influence on the operation in whole country. Therefore, capacity development and improvement of IT environment for necessary in particular completion of NSW and introduce of Pre-Arrival Declaration.



Note: The numbers in the figures refer to the corresponding numbers in Table 8.5.

Source: JICA survey team

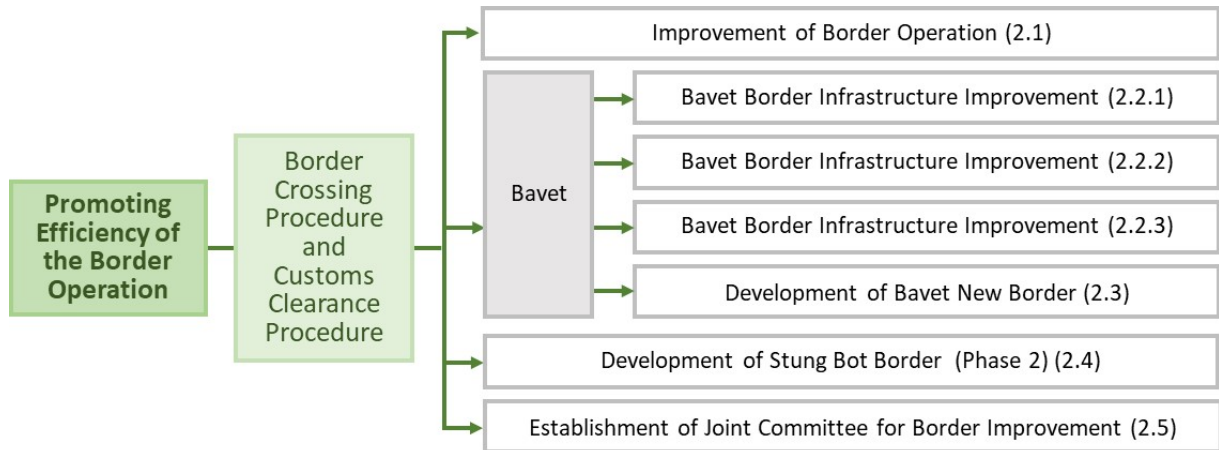
Figure 8.1 Direction 1: Actions for Improving the System and Procedure

8.3.2 Direction 2: Promoting Efficiency of the Border Operation

Direction 2 aims to accelerate border crossing by improving border facilities and infrastructure, and border operations. For Bavet and Poipet borders, improvement of the hardware and software are focused in short term. Conclusively dedicated cargo borders will be developed in middle and long term. Precisely at Poipet border, introducing SSI/CCA is considered in the future.

Since the border crossing requires to cooperative operation from neighboring countries, Thailand and Vietnam, an implementation structure between two countries is vital to operate efficient border management. Therefore, the system and implementation structure shall be established in middle and

long term.



Note: The numbers in the figures refer to the corresponding numbers in Table 8.5
 Source: JICA survey team

Figure 8.2 Direction 2: Actions for Promoting Efficiency of the Border Operation

The details of the above action are summarized in Table 8.5.

Table 8.5 List of Proposed Actions

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
Direction 1: Improving of the System and Procedure						
1.1 1	Development of an integrated system for import/export procedures by ASYCUDA (A: Electronic system of cross border request letter)	<ul style="list-style-type: none"> • Cross-Border Request Letter needs to submit GDCE and Immigration Police respectively. Since the request letter is still handwriting format, the document error tends to occur at the border. • Cross-border Permission for Immigration Police requires only vehicle registration and container number, while for GDCE requires the application together with invoice, packing list, and truck bill. Immigration Police and GDCE could simplify by computerizing the Cross-border Request Letter procedure. Also, it could reduce the documentation error. 	<ul style="list-style-type: none"> • Cross-border Permission is necessary for Immigration Police and GDCE for control the border-crossing. If customs broker could make the documents at once, the cross-border procedure will speed up and documentation error will be reduced. • Development of a system that could be used by both agencies would simplify the procedure and promote the computerizing • This will be a part of NSW 	<ol style="list-style-type: none"> (1) Cross-border Permission by Immigration Police and GDCE will transform into digital format. The applications for both permissions will be done by single input. The system will be developed to generate the letter for customs and immigration police respectively. (2) The system will be developed to connect with NSW in future (3) Based on the spec above, e-Crossborder will be developed (4) Test operation will be conduct for checking the problems and conditions (5) Full-scale operation 	Short Term 2022-24	GDCE, Immigration Police
1.1 2	Development of an integrated system for import/export procedures by ASYCUDA (B: Construction of a system that can consistently handle everything from cargo border crossing to customs	<ul style="list-style-type: none"> • Since e-Customs does not connect to ASYCUDA, the users must input the same data in different two system. 	<ul style="list-style-type: none"> • The following procedures will be integrated in one system which covers from pre-arrival declaration to customs clearance <ul style="list-style-type: none"> - Pre-arrival declaration - e-Valuation - e-Transit - ASYCUDA - e-Permit - e-Payment 	<ol style="list-style-type: none"> (1) Review a series of import procedure, from transport from the origin country to import release permit. (2) Integrate the modules by e-Customs into ASYCUDA for taking procedure along the flow of customs clearance <p>* The ideal processing flow is as follows.</p> <ul style="list-style-type: none"> - Submission of manifest - Pre-arrival declaration (valuation (price/nomenclature) 	Mid term 2025-2027	GDCE

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
	clearance at Dry Port and SEZ (unification of pre-arrival import declarations such as valuation declarations, origin certificate verifications)).			<ul style="list-style-type: none"> - Verification of origin, and License declaration by other regulations and duty payment - Pre-arrival confirmation at the border - Cargo inspection - Additional fee payment if required for inspection, etc. - Import release permission 		
1.2	Pre-arrival import declaration system implementation	<ul style="list-style-type: none"> • Customs clearance for import tends to take certain time because it is carried out at SEZ/Dry Port. Lack of pre-arrival import declaration system may disturb the efficiency of off-border clearance. 	<ul style="list-style-type: none"> • Prior data registration to ASYCUDA is allowed but submission of declaration to GDCE is not allowed and can be done after arrival of cargo at Dry Port or SEZ. Pre-arrival import declaration allow such declaration submission and declaration verification can be done in advance of the cargo arrival. • The pre-arrival import declaration can contribute to reduce the time of customs clearance. 	<ol style="list-style-type: none"> (1) Prepare legalization of the pre-arrival declaration procedure for imported cargo as a formal procedure (2) Develop scheme: The time is very short from obtaining the export license of cargo to arrival at the border in case of export from neighboring country, compared to air and sea cargo. Therefore, it is necessary to confirm the cargo has been departed from the origin country in short time. (3) In case of the export from neighboring countries, the confirmation could be carried out by the Truck Bill, B/L, and Invoice submitted by the transport operator instead of the export license. In case of the export from other countries, Manifest and B/L prepared at the departure could be the documents for confirmation (4) Develop the pre-arrival import declaration system and conduct test operation at selected border such as Poipet and Bavet for checking the problems and condition, then rollout to other borders 	Short term 2022-2024	GDCE

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
1.3	Standardization and dissemination of NSW	<p>GDCE has been developing the online system based on “NSW Blueprint”. However, these digital systems are fully utilized by private sector. The following issues are considered.</p> <ul style="list-style-type: none"> • The users do not fully understand the most efficient procedure by online. • The relevant ministries who issue import/export licenses do not fully understand the system 	<ul style="list-style-type: none"> • Standard customs clearance procedure is widely understood among the stakeholders, relevant ministries and private sector in order to promote the usage of digital system. • Strengthening the understand of customs clearance, the procedure will be improved 	<ol style="list-style-type: none"> (1) Prepare “System manual” which describes the standard customs clearance procedure. (2) Disseminate “System manual” by GDCE to private sector and relevant ministries (3) Collect opinions and requests through the public-private dialogue and revise as necessary 	Short and mid term 2022 – 2027	GDCE
1.4	Expansion of ACTS	<p>ACTS allows to simplify the international transit procedure at the border because the transit data will be shared with transit and destination countries once declaration submitted. The customs seals also valid to the destination.</p> <p>However, ACTS is limited to utilize in case that origin and destination countries must be ASEAN countries and land transit among more than 3 countries. Hence transit between two countries such as Cambodia-Thailand and Cambodia-Vietnam is not allowed.</p>	<ul style="list-style-type: none"> • Since import/export cargos come from/to third countries via Thailand and Vietnam, expansion of ACTS will bring the benefits for Cambodia • From long term perspective, expansion of ACTS including air and sea cargos will improve the procedures at the border. Introducing the priority lane for ACTS could contribute to avoid the congestions. 	<ol style="list-style-type: none"> (1) Review of ACTS such as operational performance, issues, and demand. (2) Analyze the cargos from third countries via Thailand and Vietnam (3) Discuss with Thailand and Vietnam about expansion of ACTS (4) Seek the support from international donors about expansion of ACTS (5) Obtain the approval from Thailand and Vietnam (6) Conduct test operation for checking the problems and condition (7) Full-scale operation 	Long term 2028-2030	GDCE
1.5	Digitization of Customs Seal by ACTS (with GPS)	<ul style="list-style-type: none"> • Currently the customs seal for ACTS does not use GPS. Introducing the customs seal with GPS could check the exact 	<ul style="list-style-type: none"> • The custom seal with GPS can help the appropriate operation for transit by ACTS 	<ol style="list-style-type: none"> (1) Establish the discussion channels among Cambodia, Thailand, and Vietnam about introducing digital customs seal 	Short term 2022-2024	GECE

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
		<ul style="list-style-type: none"> location of truck and contribute smooth border-crossing Install the priority lane at the border for ACTS as it is important to understand the truck location 	<ul style="list-style-type: none"> Installation of GPS function on trucks can prevent the smuggling Priority lane at the border for ACTS can contribute to transit smoothly 	<ul style="list-style-type: none"> (2) Develop the digital customs seal which three countries can use (3) Conduct test operation for checking the problems and condition (4) Full-scale operation 		
1.6	Integrity Improvement of GDCE	GDCE needs to improve the transparency and efficiency of the operations, and increase the credibility of private companies related to import/export business	<ul style="list-style-type: none"> Increase credibility from private sector by improvement of the operation Keep implementing the measure to increase transparency based on "Strategy for Customs Reform and Modernization" 	<ul style="list-style-type: none"> (1) Conduct the training for GDCE to improve integrity (2) Monitor the efficiency of operation (3) Revise the evaluation system on staff of GDCE and check the management (4) Open a consultation desk by a third-party organization 	Short and mid term 2022-2027	GDCE
1.7	Strengthen NSW Implementation and Expansion	<ul style="list-style-type: none"> NSW can improve convenience, transparency, and speed-up of import/export procedures. Currently, in Phase 2, five ministries connect NSW, and this covers 90% of OGA licenses that require. ASYCUDA and e-Customs work independently 	<ul style="list-style-type: none"> Expansion of NSW by connecting other relevant ministries in Phase 3 in line with update ASYCUDA Improvement of NSW function 	<ul style="list-style-type: none"> (1) Discuss among the stakeholders including GDCE and OGA related to import/export license (2) Further digitalize the system for import/export license (3) Connect between the system used by OGA and ASYCUDA (4) Prepare the manual for OGA (5) Conduct the training for the staff of OGA about the system connecting with ASYCUDA and NSW 	Short and mid term 2022-2027	OGA
1.8	Improvement of IT Environment in OGA related to Import/Export License	<ul style="list-style-type: none"> Although improvement of digital system for import/export license and connecting to NSW has been conducting, the IT environment tends to be left behind in OGA 	<ul style="list-style-type: none"> System digitalization in OGA can improve the efficiency of import/export license procedure 	<ul style="list-style-type: none"> (1) Establish the working group and discuss about the current issues of digital system (2) Procure the necessary equipment such as PC, network, server and emergency power supply (3) Conduct the IT training to the staff (4) Promote the users of digital system 	Short and mid term 2022-2027	OGA

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
				<ul style="list-style-type: none"> - Prepare and distribute the guideline and manual - Update the systems - Conduct the seminar to private sector 		
1.9	Capacity building of Private Sector for Applying Import/Export Procedure by Online	<ul style="list-style-type: none"> · Although improvement of digital system for import/export license and connecting to NSW has been conducting, the user of such digital system is limited due to lack of information 	<ul style="list-style-type: none"> · Increase the users of digital system that can improve the efficiency of import/export license procedure 	<ol style="list-style-type: none"> (1) Establish a discussion group among OGA related to import/export license and private sector including CLA and CC (2) Support the private sector <ul style="list-style-type: none"> - Prepare the guideline and manual, and distribute by means of portal site establishment and website of OGA - Update the systems based on the requests and opinion from private sector - Conduct the training and seminar coordinating with institutes such as CLA and Japan Center - Check the current situation of IT environment in private sector and consider the support measure to introduce IT system 	Short and mid term 2022-2027	GDCE, Private Sector(CLA,C CC ets)
Direction 2 : Promoting Efficiency of the Border Operation						
2.1	Improvement of Border Operation	<ul style="list-style-type: none"> · Before the Covid 19 pandemic, after the opening of the border, people and vehicles with fresh foods for the local markets are given priority to cross the border at Bavet Accordingly, cargo trucks tend to pass late. · Now it is equally treated for perishable goods and general cargo. 	<ul style="list-style-type: none"> · General cargo will be able to cross the border early in the morning to improve the efficiency of logistics. 	<ol style="list-style-type: none"> (1) Establish a discussion group among GDCE, province and Immigration Police for the border operation (2) Check the demand from 6 am to 10 am and consider the appropriate measure Plan 1: people and fresh food for the local market can pass the border until 8 am. The trucks can pass from 8 am. Plan 2: The truck which needs to pass before 10 am can request to GDCE and Immigration Police by online 	Short term 2022 - 2024	Thai side: GDCE, Bantheay Meanchey Province, Thai Customs Office, Sakeo Province, Local Private Sector Vietnam side: GDCE, Svay Rieng

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
		<ul style="list-style-type: none"> • There are room to improve earlier operation for trucks • Under COVID-19 situation, passengers are prohibited to cross the border. • However, when border crossing is normalized, the congestion might come back. 		<ul style="list-style-type: none"> (3) Coordinate with Vietnam and Thailand to introduce the measures (4) Check the issues from practical viewpoints (5) Start the operation after solving the issues 		Province, Vietnam Customs, Local Private Sector
2.2 1	Infrastructure Improvement at Bavet Border	<ul style="list-style-type: none"> • At Bavet border, the congestions are often occurred due to the limited number of lanes and counters for customs procedure in Vietnam side 	Vietnam: <ul style="list-style-type: none"> • Widening the road in the border area • Increasing the number of counters and quarantine • Improvement of operation 	<ul style="list-style-type: none"> (1) Increase the lane from two to four in the buffer zone between Bavet and Moc Bai (2) Discuss about the improvement in Joint Task Force Working Group (3) Make a consensus for improvement of facilities and land from Vietnam (4) Construct the road lane (5) Increase the counters for Immigration Police and GDCE border office 	Short term 2022 - 2024	MPWT
2.2 2	Infrastructure Improvement at Bavet Border	Repaving NR-1 for 1.5km from Bavet border entrance	<ul style="list-style-type: none"> • Road surface is inappropriate condition for smooth traffic 	<ul style="list-style-type: none"> • Repave NR-1 (1.5km) 	Short term 2022 - 2024	MPWT GDCE
2.2 3	Infrastructure Improvement at Bavet Border	NR-1 from Bavet to Svay Rieng (30km) is likely to make traffic congestion due to one lane of each side	<ul style="list-style-type: none"> • Widening to two lanes on each side for improvement of smooth traffic to/from Bavet border 	<ul style="list-style-type: none"> • Widening NR-1 from Bavet to Svay Rieng 	Short term 2022 - 2024	MPWT
2.3	Development of New Bavet Border	The current capacity of the border is not enough to increase traffic volume between Bavet and Moc Bai	<ul style="list-style-type: none"> • New border for cargo transport along with improved traffic volume 	<ul style="list-style-type: none"> (1) Discuss about the new border development in Joint Task Force Working Group (2) Design the new border facility plan <ul style="list-style-type: none"> - Location - Facilities - Access (connection to the new highway from Phnom Penh to Ho Chi Minh) 	Mid and long term 2025-2030	MPWT, GDCE, Svay Rieng Province, MOT Vietnam, Vietnam Customs Office, Tay Ninh Province

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
				(3) Consider an efficacy customs system at border <ul style="list-style-type: none"> - Develop the scenario for development of SSI/CCA - Prepare the implementation plan - Improvement of legitimation regarding immigration and quarantine, if necessary (4) Construct the new border including facilities (5) Introduce SSI/CCA step by step, clarify the issues, and operation (Details described at Chapter 7)		
2.4	Development of Stung Bot Border (Phase 2)	<ul style="list-style-type: none"> · Since the facility plan of the border has developed in 10years ago, the capacity seems to be small (parking space has for 60 only) and have concerns for becoming issues of customs clearance · No practical design although the plan included rail freight 	· Supports for the operation at Stung Bot border	(1) Establish the committee between Cambodia and Thailand for operation at Stung Bot border (2) Propose a facility expansion plan <ul style="list-style-type: none"> - Parking space - Facility for rail freight (3) Introduce SSI/CCA <ul style="list-style-type: none"> - Develop a scenario to improve the border facilities including introduction of SSI/CCA - Develop an implementation plan based on the scenario - Conduct test operation for checking the problems and condition - Full-scale operation 	Mid term 2025-2027	GDCE, Banteay Meanchey Province, Thai Customs Office, Sakeo Province
2.5	Establishment of Joint Committee for Border Improvement	NCTF, NTTCC and JTFT have already established as discussion board in national level in order to enhance the international trade	· Border operation can improve based on discussion at practical level such as local government and GDCE border office	(1) Establish the management committee under NCTF, NTTCC or CBWG <u>Cambodia-Thailand Border</u> : GDCE , Banteay Meanchey Province, Thai	Mid and long term 2025-2030	GDCE, Banteay Meanchey Province, Thai

No	Action	Background and Issues	Objective	Scope	Schedule	I.B.
		and improve the traffic. However, these committees and working group does not discuss local and practical issues. Therefore, solving these issues is likely to take time		<p>Customs Office, Sakeo Province <u>Cambodia-Vietnam Border:</u> GDCE, Svay Rieng Province, Vietnam Customs Office, Tay Ninh Province</p> <p>(2) Develop an implementation outline for the committee for smooth operation</p> <ul style="list-style-type: none"> - Member of committee - Secretariat and its role - Authority <p>(3) Prepare “Standard Operating Procedure (SOP)” to improve the transparency of the cross-border procedure</p> <p>(4) Conduct trial discussion based on the implementation outline and make the necessary improvement of outline</p> <p>(5) Start the discussion</p>		<p>Customs Office, Sakeo Province Svay Rieng Province, Vietnam Customs Office, Tay Ninh Province, Private Sectors (CCC, transport operators, etc.)</p>

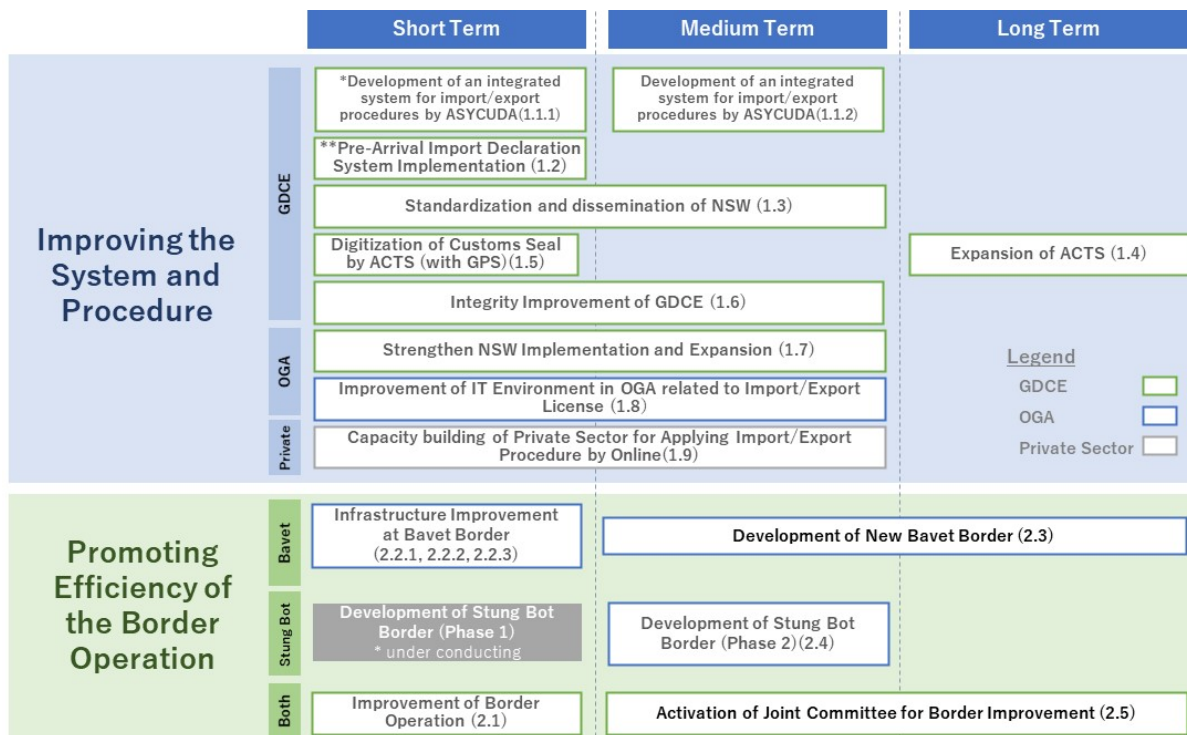
Note: I.B. means Implementation Body

Source: JICA Survey Team

8.4 Proposed Roadmap

In order to accelerate improvement of cross-border, it is necessary to focus on "early harvest" actions that will solve and mitigate the issues and problems of border crossings by hard and soft measures for the main land borders in Cambodia in the short term. These actions include planned projects for border improvement. After that, in the medium to long term, the actions shift to improve the customs clearance procedure and systems. In addition, the development of hardware and border operations that need to be implemented in cooperation with Thailand and Vietnam will be considered.

Figure 8.3 illustrates the proposed actions in short, medium, and long term as roadmaps based on the above considerations.



Note: *Development of an integrated system for import/export procedures by ASYCUDA (1.1.1) has been supported by Business Engineering, ** Pre-Arrival Import Declaration System Implementation (1.2) is only applied for sea and air cargo, not land transport cargo.

Source: JICA Survey Team

Figure 8.3 Proposed Roadmap

CHAPTER 9 PRIORITY PROJECTS

9.1 Selection of Priority Projects

Priority projects are selected as two following projects for taking account of the potential for Japanese cooperation and introduction of SSI/CCA in Cambodia.

- "System-related action" such as ASYCUDA improvement might be left for other donors for taking account of their continuity and experience (however, an opportunity of working together with other donors shall be keep considering).
- Projects could bring visible effects of border improvement
- Projects could utilize the experiences of Japanese and JICA

9.2 Priority Projects

9.2.1 New Bavet Border Development Project

Purpose	<ul style="list-style-type: none"> • Develop new border points in responding to increased cargo volume at Bavet in the medium-and long-term • Consider the customs clearance system to introduce SSI/CCA with utilizing the existing off-border customs clearance system
Scope	<ul style="list-style-type: none"> • Selection of new border locations • Facility planning • Examination of the mechanism of customs clearance (details of the examination are described in 7.3) • Phased development of existing facilities (e.g., relocation of customs office) • Access to expressways and national highways No.1 • Management and operation plan
Implementation organization (tentative)	<ul style="list-style-type: none"> • MPWT • GDCE (Svay Rieng Province will cooperate and participate)
Type of cooperation	Data collection survey, development survey
Issues and Items to be considered	<ul style="list-style-type: none"> • Necessary bilateral consultations between Cambodia and Vietnam • Regarding SSI/CCA, it is proposed an effective and step-by-step mechanism based on the securing large-scale space at the border and the current status of the establishment of the off-border customs clearance system at SEZ / Dry Port. • Phnom Penh - Ho Chi Minh City Expressway is planned to be constructed, and in relation to it, maintenance schedule, gradual service, location and access should be considered.

9.2.2 Border Management Capacity Improvement Project

Purpose	<ul style="list-style-type: none"> • Organization and system development to increase communication among parties involved in border management and coordination of policies and projects • Strengthen of secretariat functions for coordination with counterpart countries to border management organizations. The development of coordination channels for both borders (long-term)
Scope	<ul style="list-style-type: none"> • Vitalization of the existing Border Management Committee and consideration of operational method based on the examples of the Border Management Committee implemented in the African OSBP • Define the relationship with existing organizations, such as NCTF, NTTCC or CBWG • Support and facilitate for start-up the committee • Regularization of the committee meeting
Implementing Agency	<ul style="list-style-type: none"> • Province (Svay Rieng, Banteay Meanchey) • GDCE, immigration police
Type of cooperation	Technical assistant project
Issues and Items to be considered	<ul style="list-style-type: none"> • Advanced commitment is essential for the establishment of the Border Management Committee for the improvement of border operations.

CHAPTER 10 CONCLUSION

For further development of Cambodia, it is necessary to play an important role in the supply chain in GMS countries such as Thailand and Vietnam. In particular, the volume of international trade is expected to escalate because of increasing purchasing power along with the population and economic growth in Cambodia. On the other hand, the connectivity to neighboring countries has been strengthening by improvement of the infrastructure including road and railway, and implementation of CBTA. Therefore, the improvement of these procedures is a challenge to promote the international logistics and economy in Cambodia.

In order to enhance the procedure of border crossing, simplification and predictability are important for the private sector related to logistics business. For achieving this, three points are pointed out: 1) simplification and efficiency of the procedure before the arrival of the cargo at the border, 2) speeding-up the procedure of border crossing for freight vehicles at the border, and 3) predictability improvement of the customs clearance procedure.

For taking account of these three viewpoints, the following two directions are proposed

Direction 1 : Improving of the system and procedure

Direction 2 : Promoting efficiency of the border operation

Direction 1 aims to speed up the border crossing by improving the procedure and system in terms of pre-arrival procedure, border crossing, and customs clearance. Meanwhile, Direction 2 intends to enhance the border crossing by updating the border facilities and infrastructure, and operation structure. In order to implement them, 10 actions for Direction 1 and 7 actions for Direction 2 are proposed as a result of this survey.

For the implementation of these actions, the two phases are considered. In the short term, the actions to solve current issues by implementing hard and soft measures in Cambodia need to be implemented. Meanwhile, in the mid and long term, the actions to update the systems and regulations shall be carried out. In addition, it is necessary to enhance the border operation working with neighboring countries, Thailand and Vietnam.

Some actions plan to implement with support from the Royal Government of Cambodia and other international donors. Since Japan has supported border improvement in other countries, the action which needs such experiences should be implemented by JICA in the future. From this point of view, the development of Bavet new border and strengthening the border operation seem to be meaningful for supports of Japanese Government.