

## Cambodia Customs and Excise Department Work Program for Customs Reform

STRATEGIC OBJECTIVE	WORK PROGRAM	TIMEFRAME/ PARTNERS
1. Strengthen Revenue Collection	a. implement government orders to prevent and combat smuggling through close cooperation with the military, police, and local authorities b. cooperate with Tax Department in exchanging information on firms for the purpose of strengthening their tax discipline and obligation - this establishes an integrated tax system and assists audits c. implement transparent but flexible measures on sensitive goods to ensure revenue	Continuing  Continuing/TD  Continuing/MEF
2. Enhance the Legal Framework – revise law for modern customs operations and to meet international commitments and standards	a. develop new draft Law on Customs b. draft Sub-Decrees and Prakas to implement the law c. organize training courses on the new law for Customs officers and stakeholders d. translate and publish manual on Law on Customs and related regulations	2002-2003/IMF 2002-2003/IMF 2003-2004/ donors 2003-2004/ donors
3. Improve Trade Statistics and Revenue Analysis –through computer hardware and software and training	a. evaluate current data collection system - in terms of accuracy and security, data processing and transfer, report format, automation, networking, CED ownership, etc. b. install computer hardware and software for modern statistical work c. implement recommendations of the assessment of the statistical system d. provide training courses on trade statistics and revenue analysis to officers e. produce timely and reliable trade statistics and revenue analysis	Feb-Mar2002/ SGS  2002-2003/SGS  2002-2003  2003  quarterly
4. Implement Tariff Restructuring and the ASEAN Harmonized Tariff Nomenclature – rationalize tariffs to 4 tariff bands, reduce maximum rate to 35% and un-weighted average to 15%, adopt AHTN	a. study the impact of tariff restructuring on revenue, trade, and local production b. convert national nomenclature to AHTN c. reduce the unweighted average tariff rate to below 15% - an opportunity to rationalize tariffs while maintaining revenue neutrality d. publish new Customs tariff nomenclature e. organize training courses on HS and AHTN - for officers and other government officials (300-400), traders and brokers (120-150) f. follow up and prepare to implement HS2007 (new)	2002-2003/IMF  2002-2003 2003  2003 ongoing/donors  2005-2006
5. Simplify and Modernize Customs Procedures – streamline procedures for trade facilitation and effective operations	a. review and simplify current Customs procedures b. adopt new simplified Customs procedures – starting with Prakas and Sub-Decrees, new procedures and structures, awareness and training program c. review and assess PSI, recommend options – scope, mechanism, fee structure, technical assistance d. enhance and expand the Green Lane system –risk management criteria needed e. translate RKC into Khmer f. implement new payment system (new) g. pilot test Single Window and Single Stop Customs Inspection (new) h. adopt CED Client Service Charter (new)	2003 2003  2003/IMF → 2004 2004-2008  2004/Japan 2005/MEF 2005-2006/ WB/ADB 2005

6. Implement Post-Clearance Audit – to ensure compliance with Customs procedures	<ul style="list-style-type: none"> <li>a. prepare the legal basis for PCA – include in draft law, and activate new Audit office</li> <li>b. develop manual on PCA</li> <li>c. train Customs officers on PCA principles and techniques</li> <li>d. conduct seminars/workshops on PCA for business clients</li> <li>e. organize Audit team to implement PCA</li> <li>f. translate and publish ASEAN PCA Manual and Blueprint (new)</li> </ul>	<p>2002-2005</p> <p>2002-2003/JICA 2003-2004/donors 2003-2004/JICA 2003→2004 2005/JICA</p>
7. Strengthen Enforcement Capacity – implement enforcement strategy based on risk management principles to enhance compliance and reduce fraud and illegal cross border activities	<ul style="list-style-type: none"> <li>a. formulate comprehensive enforcement strategy and program based on risk management</li> <li>b. restructure the Anti-Smuggling Office so that headquarters handles policy formulation, research and intelligence gathering, analysis, risk management, and overall management of enforcement, while operational mobile teams deal with investigation and suppression</li> <li>c. establish and strengthen the Customs Marine Team</li> <li>d. strengthen the Mobile Anti-Smuggling Teams of Customs offices and provincial branches</li> <li>e. enhance capacity to prevent and suppress illegal drug trafficking through training, provision of drug detection equipment, and establishment of airport contact points</li> </ul>	<p>2002</p> <p>2003-2008</p> <p>2004-2006 2003-2008</p> <p>2003-2008/donors</p>
8. Expand International Relations – multilateral and bilateral relations under the framework of accession to WTO, membership in WCO and ASEAN and deriving maximum benefit, active participation in international fora	<ul style="list-style-type: none"> <li>a. prepare to implement the WTO Agreement on Customs Valuation – also study impact, train officers, organize seminars, establish working group to monitor, implement, and solve disputes, publish ACVG, coordinate technical assistance</li> <li>b. participate in tariff negotiations – with WTO accession</li> <li>c. accede to international conventions such as HS, RKC, ATA Carnet and others</li> <li>d. fulfill obligations to ASEAN and the Greater Mekong Subregion Economic Cooperation Program</li> <li>e. participate in regional cooperation efforts to combat cross-border smuggling, commercial fraud/IPR infringements, and international crime</li> <li>f. seek technical assistance and training programs from multilateral and bilateral counterparts</li> <li>g. conclude memoranda of understanding on cooperation and mutual assistance with Thai, Lao PDR, and Vietnam Customs Administrations</li> </ul>	<p>2002-2008/donors</p> <p>2002-2003 2002-2008</p> <p>ongoing</p> <p>ongoing/donors</p> <p>ongoing/donors</p> <p>2001-2003/ Thai-Lao-Vietnam</p>
9. Use Information Technology for Customs Automation – maximize use of IT to improve operating efficiency and service; longterm goal is fully automated systems for Customs processes	<ul style="list-style-type: none"> <li>a. develop IT framework for Customs</li> <li>b. evaluate Customs automation</li> <li>c. prepare legal framework/regulations for IT application</li> <li>d. select IT system and formulate project – improve statistical data collection system, introduce linkage with SGS, identify knowledge gaps from automation, prepare to initiate IT program, implement IT strategy</li> <li>e. conduct training courses on automation</li> <li>f. implement pilot automation projects at headquarters, Sihanoukville port and Dryports</li> <li>g. roll-out automation project to Phnom Penh International airport, Export Office and Excise Office</li> <li>h. install IT equipment: TC-Scan at Sihanoukville, X-ray machines at Pochentong and Siem Reap airports and Poi Pet, metal and explosive detector devices and computers</li> </ul>	<p>2002/SGS 2003/IMF 2003 2003</p> <p>2003/donors 2004</p> <p>2004-2006</p> <p>2003-2008/ Japan, other donors</p>
10. Implement Organizational Reform and Human Resources Development -	<ul style="list-style-type: none"> <li>a. develop and execute organizational restructuring plan with: <ul style="list-style-type: none"> <li>(i) revised structure and decentralized authority to provincial branches with reporting system</li> <li>(ii) upgrade rank of CED to Royal Customs and Excise General Department</li> </ul> </li> <li>b. execute human resource development through:</li> </ul>	<p>2003-2008</p> <p>2003/MEF</p>

implement new structure to better meet changed need, and human resource development plan with recruitment and training	<ul style="list-style-type: none"> <li>(i) comprehensive training program to strengthen management and technical skills</li> <li>(ii) establishment of Customs Training Center and regular training programs – need foreign assistance</li> <li>(iii) recruitment of 30–50 highly qualified staff per year through open examination of public servants</li> <li>c. with implement integrity program through: <ul style="list-style-type: none"> <li>(i) internal audit unit reporting directly to Director General</li> <li>(ii) staff remuneration and promotion policy- incentive bonus, performance profiles</li> <li>(iii) strict disciplinary action for malfeasance</li> <li>(iv) Code of Conduct and Ethics</li> <li>(v) transparent and rule-based rotation of staff</li> <li>(vi) physical education and high-morale lifestyle</li> </ul> </li> <li>d. establish reference library with 3 computers and internet access</li> </ul>	<p>ongoing/donors</p> <p>2002-2008/SGS. Japan</p> <p>2003-2008/MEF</p> <p>2002-2003</p> <p>2002-2008/MEF</p> <p>ongoing</p> <p>2003→2004-2005</p> <p>ongoing/MEF</p> <p>ongoing</p> <p>2003/MEF</p>
11. Modernize Physical Infrastructure and Tool – implement infrastructure plan to ensure that CED is improved with adequate office and examination facilities, equipment, computers, enforcement tools	<ul style="list-style-type: none"> <li>a. access infrastructure needs and formulate plan</li> <li>b. construct/expand buildings and provide equipment to headquarters, provincial and surveillance customs stations</li> <li>c. expand/construct posts, examination yards, and storage warehouses</li> <li>d. set up a small Customs museum at headquarters</li> <li>e. set up a small laboratory at headquarters</li> <li>f. establish a printing house for Customs documents</li> <li>g. improve telecommunications and enforcement tools at provincial branches and checkpoints</li> </ul>	<p>2003/IMF</p> <p>2002-2008/MEF, donors</p> <p>2002-2008/MEF, donors</p> <p>2003/donors</p> <p>2004/JICA→2005</p> <p>2004/donors →2005</p> <p>2002-2008/MEF, donors</p>
12. Improve Quality of Service and Facilitate Trade – provide prompt, reliable, and professional service to legitimate business	<ul style="list-style-type: none"> <li>a. implement public relations program with designated Departmental Communications Officer (Information Desk)</li> <li>b. develop communications strategy to inform trade and stakeholders about the reform program</li> <li>c. establish a Trade Consultative Committee for consulting clients on changes in operational procedures and policies</li> <li>d. establish a reliable dispute settlement mechanism with clear responsibility and mandates</li> <li>e. establish formal relationships with the Chambers of Commerce, Transport/Freight Forwarder and Customs Brokers Associations through Memoranda of Understanding</li> <li>f. install "complaint and suggestion boxes" at headquarters, officers, branches, and draft procedures and rules for dealing with complaints</li> <li>g. publish Customs bulletins and annual Customs reports for disseminating information to the public</li> <li>h. improve and expand the CED homepage</li> </ul>	<p>2003</p> <p>2002-2003</p> <p>2002-2003</p> <p>2003</p> <p>2003-2008/associations</p> <p>2003-2004</p> <p>ongoing</p> <p>2003-2008</p>
13. Manage the Reform Programs - establish management structure, including adjustment of the plan and reporting of results to MEF and Government	<ul style="list-style-type: none"> <li>a. set up a Customs Reform Working Group at CED</li> <li>b. establish a Customs Reform Steering Committee</li> <li>c. conduct periodic evaluation of the progress of implementation and define adjustments to the Works Plan as required</li> <li>d. mobilize and coordinate technical assistance to implement the Reform Strategy and Work Programs</li> <li>e. prepare and publish progress/outcome reports on the Reform Strategy and Work Program</li> </ul>	<p>Done</p> <p>Done/MEF</p> <p>ongoing/CRWG-CRSC</p> <p>Every 6 months/CRWG-CRSC</p>

SOURCES: CED 2003; CED, Second 2-Year Rolling Program 2005-2006; Ministry of Commerce, Sept 2003; RAO, ET AL UNDP, 2004