

WORLD TRADE ORGANIZATION

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**Working Party on the
Accession of Cambodia**

DRAFT REPORT OF THE WORKING PARTY ON THE ACCESSION OF CAMBODIA

Introduction

1. The Government of the Kingdom of Cambodia applied for accession to the World Trade Organization in December 1994. At its meeting on 21 December 1994, the Preparatory Committee for the WTO established a Working Party to examine the application of the Government of Cambodia to accede to the World Trade Organization under Article XII of the Marrakesh Agreement establishing the WTO. The terms of reference and the membership of the Working Party are reproduced in document WT/ACC/KHM/1/[Rev.4].

2. The Working Party met on 22 May 2001; 14 February and 14 November 2002; [16 April 2003] and under the Chairmanship of Mr. A. Meloni (Italy).

Documentation provided

3. The Working Party had before it, to serve as a basis for its discussions, a Memorandum on the Foreign Trade Regime of Cambodia (document WT/ACC/KHM/2), the questions submitted by Members on the foreign trade regime of Cambodia, together with the replies thereto, and other information provided by the authorities of Cambodia (WT/ACC/KHM/3; WT/ACC/KHM/6; WT/ACC/KHM/7 and Revisions 1 and 2; WT/ACC/KHM/8; WT/ACC/KHM/9; WT/ACC/KHM/10 and Revisions 1 and 2; WT/ACC/KHM/12; WT/ACC/KHM/13 and Revision 1; WT/ACC/KHM/14 and Revision 1; WT/ACC/KHM/15 and Revision 1; WT/ACC/KHM/16 and Revision 1; WT/ACC/KHM/17 and Revision 1; WT/ACC/KHM/18; WT/ACC/KHM/20;), including the legislative texts and other documentation listed in Annex I.

Introductory statements

4. The representative of Cambodia said that Cambodia had embarked on a process of fundamental political and economic reforms since the adoption of a new Constitution in 1993, which had restored the constitutional monarchy in his country. However, Cambodia was still heavily

marked by two decades of armed conflict, which had resulted in important losses of human resources, and political and economic instability. The lack of skilled manpower remained a major obstacle on Cambodia's way to economic development.

5. His Government had developed a "triangle strategy", aimed at restoring peace, ensuring sustainable development, and integrating Cambodia into the world community. Reforms had been implemented simultaneously in many areas, including administrative reform; legal and judicial reform of the financial, economic and trade regime; and military reform. Cambodia had joined the Association of South-East Asian Nations (ASEAN) in April 1999.

6. Accession to the WTO was one of the highest priorities of his Government. Closer integration into the world economy was seen as a powerful instrument to alleviate poverty and the main driving force for socio-economic development. In reforming its trade system, his Government had paid particular attention to aligning its policies and practices to WTO rules, especially the principles of MFN and national treatment. A tariff nomenclature based on the 1996 Harmonized System had been put in place, and numerous laws had been drafted and adopted to ensure compliance with WTO regulations.

7. Implementation of WTO requirements was, however, a lengthy and difficult process. In view of the difficulties his country was facing, and bearing in mind Cambodia's status as a least developed economy, the representative of Cambodia called on members of the Working Party to be flexible in the negotiations to establish Cambodia's WTO commitments and to extend special and differential treatment as foreseen in the provisions of the WTO Agreements regarding LDCs.

8. Members of the WTO welcomed the application from Cambodia to join the Organisation. WTO membership was considered important for Cambodia's development and integration into the world trading system. Appreciating the efforts already undertaken by Cambodia to achieve compliance with WTO rules and principles, they noted that further work was needed in this regard. Members pledged to work constructively with Cambodia in accomplishing this task, and several Members would offer technical assistance to facilitate Cambodia's accession. Members looked forward to Cambodia's early accession on appropriate terms. Some Members referred to Cambodia's status as a least-developed country, and would consider this a relevant factor in establishing Cambodia's terms of accession.

9. The Working Party reviewed the economic policies and foreign trade regime of Cambodia and the possible terms of a draft Protocol of Accession to the WTO. The views expressed by members of the Working Party on the various aspects of Cambodia's foreign trade regime, and on the

terms and conditions of Cambodia's accession to the WTO are summarized below in paragraphs 10 to [].

ECONOMIC POLICIES

Monetary and fiscal policy

10. The representative of Cambodia said that the cornerstone of Cambodia's monetary policy was low-inflationary economic growth. A restrained monetary policy had been maintained since 1993 to serve this end. As a result, annual inflation had fallen from three-digit levels in 1993 to single-digit figures at present.

11. The Cambodian banking system had undergone important changes since 1989, when a mono-type banking system had been replaced by a two-tier system comprising the central bank and commercial banks. The independent central bank – the National Bank of Cambodia (NBC) – was responsible for formulating and implementing Cambodia's monetary policy. The main instruments used to control liquidity were mandatory reserve requirements, limits on bank financing of the budget, sale of foreign currency by the central bank, and a positive real interest rate. The introduction of treasury bills as a complementary policy instrument was under consideration.

12. Fiscal policy had been at the core of Cambodia's reform strategy. The budget deficit had been eliminated by 1997, and focus had shifted towards broadening the tax base and improved tax collection. The tax system had been reformed in January 1997 with the adoption of the Law on Taxation. The Law had introduced a turnover tax on the first sale of imported products (previously exempt); extended excise duties to automobiles, international air travel, and international communication services; imposed taxes on interest income and dividends; strengthened the application of minimum tax levels; subjected profits on exploitation of oil and gas and natural resources to a tax of 30 per cent; introduced income tax for government employees, elected officials, and employees of NGOs; established a system of withholding tax; as well as replacing some turnover and consumption taxes by a value added tax. The ratio of tax revenue to GDP was still very low, and concentrated on few sources of revenue. In 2000, taxes had accounted for approximately 73 per cent of total government revenue, principally derived from customs duties (48 per cent), excises (12 per cent) and VAT (40 per cent).

13. Cambodia had established three taxation regimes, namely the "Simplified Tax Regime", the "Real Regime" and the "Estimated Regime". However, only two of them - the "Real Regime" and the "Estimated Regime" - were applied. The "Real Regime" affected large and medium sized taxpayers, i.e. legal entities and individual businesses with annual turnover exceeding 500 million Riels (goods)

or 250 million Riels (services), or 125 million Riels in the case of government contracts. Large and medium sized taxpayers were subject to VAT, while other taxpayers were assessed a 2 per cent turnover tax under the "Estimated Regime".

14. A Member was concerned Cambodia appeared to tax imports disproportionately to other economic activity, and asked what steps Cambodia was taking to increase tax collection domestically. In reply, the representative of Cambodia referred to the measures already undertaken to broaden the tax base, and stressed that these efforts would be continued.

Foreign exchange and payments

15. The representative of Cambodia said that the objective of Cambodia's exchange rate policy was to maintain a market-based exchange rate. The value of the national currency - the Riel - had been freely determined by the market since 1993. The National Bank intervened occasionally in the currency market to smooth exchange rate fluctuations.

16. Cambodia's current foreign exchange system was based on the Law on Foreign Exchange of 1997. According to this Law, all foreign exchange transactions including purchases and sales of foreign currency, transfers, and all types of international settlements and capital flows were permitted without restriction provided these were effected through authorized intermediaries (which would include foreign bank branches). Foreign transactions equalling US\$10,000 or more were subject to a declaration. Cambodia did not require surrender of foreign exchange proceeds from imports or exports.

17. Cambodia had introduced current account convertibility of its currency as provided under Article VIII sections 2, 3 and 4 of the IMF Articles of Agreement, and had been granted membership under Article VIII on 1 January 2002.

Investment regime

18. The representative of Cambodia said that the Law on Investment of 4 August 1994, together with its Sub-Decrees of 29 December 1997 and 11 June 1999, regulated all investment, domestic or foreign, in Cambodia. The Law (Article 8) granted national treatment generally to foreign investors, except in the ownership of land. He added that Cambodia would normally not prohibit or restrict foreign investment, except for reasons of national security and social safety, or when deemed necessary for economic reasons. Sectors subject to various forms of investment restrictions were listed in document WT/ACC/KHM/6, Annex 1. In some cases, such as investment in rice milling, foreign investment was subject to local equity participation, to be determined through negotiations

between the investors. Foreign investment in livestock and forestry required a local partner. The criteria governing these restrictions were laid down in Sub-Decree No. 88 of 29 December 1997.

19. Cambodia's Constitution (Article 44) reserved the ownership of land for Cambodian citizens or legal persons with minimum 51 per cent Cambodian ownership. Foreign investors were allowed to lease or use land for up to 70 years in accordance with the 1994 Investment Law. A proposal to extend the time limit from 70 years to 99 years had been considered. The 2001 Land Law defined two types of land – concession land and leased land. Concession land could be leased for a period of maximum 99 years for agro-industrial projects. Leased land was defined as real estate, including buildings and land, available for short-term or long-term lease. The leasing period could either be indefinite, or of specified duration. Definite-period leases included short term leases with a renewal option, or long term leases for 15 years or longer.

20. Cambodia's legislation guaranteed compensation in case of expropriation. Article 44 of the Constitution stipulated that legal private property was protected by law, and the right to confiscate property could only be exercised in the public interest as provided for in the law and against fair and just advance compensation. Article 9 of the Law on Investment provided a general guarantee against nationalisation. To enhance investor confidence further, Cambodia had concluded bilateral investment treaties to provide legal protection to foreign and domestic investors. Cambodia had concluded bilateral investment guarantee agreements with 12 countries (China, Croatia, France, Germany, Indonesia, Malaysia, the Philippines, the Republic of Korea, Singapore, Switzerland, Thailand and Viet Nam), signed and ratified an agreement with the Overseas Private Investment Corporation (OPIC) of the United States, and ratified the Multilateral Investment Guarantee Agency (MIGA) of the World Bank.

21. Cambodia provided incentives to stimulate investment in accordance with Article 14 of the Law on Investment. These incentives were granted to Cambodian and foreign firms without discrimination upon application to the Council for the Development of Cambodia (CDC). The Council processed applications within 45 days. Incentives included (i) corporate tax at a rate of 9 per cent, except for exploitation of natural resources, timber, oil, mining, gold, and precious stones (30 per cent); (ii) tax holidays on corporate tax for up to eight years with five-year loss carry forward and exemption from all corporate tax for profits reinvested in Cambodia (the tax holidays were granted on socio-economic and geographic criteria laid down in Annex III of Sub-Decree No. 88 of December 1997); (iii) no withholding tax on dividends; and (iv) unrestricted repatriation of profits. In addition, investment projects exporting 80 per cent or more the production benefitted from full import duty exemption on construction materials, means of production, equipment, intermediate goods, raw materials and spare parts. The import duty exemption was also available for projects located in

designated Special Promotion Zones (SPZ), the tourism industry, labour-intensive industries (e.g. garments, footwear and toys), agro-industry and food processing industries (i.e. canning), as well as physical infrastructure and energy generation (roads, bridges, airports, seaports, power generation, etc). Incentives could be revoked according to Article 7.2 of Sub-Decree No. 88, and his Government was considering revising some of the incentives offered under the Law on Investment [amendments are currently in preparation]. However, investors currently benefiting from incentives would be able to retain them for some time subsequent to such a revision. For further discussion of this issue, see the section on "Export subsidies".

State ownership and privatization

22. The representative of Cambodia said that private initiative had been encouraged in agriculture since 1987, while nationalised industries had been granted progressive autonomy from the State planning system in subsequent years. Private ownership was now a constitutional right enshrined in the 1993 Constitution.

23. Privatization had been carried out during a first phase from 1991 to mid-1993, and a second phase starting in April 1995. During the first phase, priority had been given to attracting foreign investors and maintaining employment. Sectoral Ministries had been granted authority to sell and lease State-owned enterprises within their area of responsibility with no external approval needed.

24. The second phase of the privatization process had been launched with new regulations intended to tighten and centralise the control over privatization. Under the leadership of the Ministry of Economy and Finance, an inter-ministerial committee had been established to draw up an inventory of existing enterprises, formulate privatization strategies and monitor the privatisation process. The most important privatizations had taken place after 1995. He confirmed that foreign and domestic investors were treated equally in the privatization process, except with regard to the general restriction on foreign ownership of land.

25. As of April 2000, 177 enterprises had been privatized - mainly in manufacturing, agriculture and commerce – of which 152 had been leased to private investors, five were joint-ventures, and 20 had been sold off. Eleven enterprises had been transformed into public enterprises and 16 remained to be privatized. A detailed status report is provided in Table 1(a). He added that 13 enterprises, which performed key public services to the Cambodian economy would be retained as State-owned enterprises upon completion of the privatization programme. Seven rubber companies would remain in State ownership until 2006. A list of the companies to be retained, including railway, water, electricity, and public works and transport enterprises, as well as agricultural companies, is provided in Table 1(b).

Pricing policies

26. The representative of Cambodia said that price controls had been lifted in 1989. Prices for goods and services were determined freely by the market, except for electricity and water. Electricity prices were regulated by the Ministry of Industry, Mines and Energy pursuant to Sub-Decree 35 of 26 April 1999, while the regulation of water user charges rested with municipal and provincial bodies. As for the future use of price controls, this was a matter still to be addressed by his Government.

27. The representative of Cambodia stated that in the application of price controls now or in the future, Cambodia would apply such measures in a WTO-consistent fashion, and take account of the interests of exporting WTO Members as provided for in Article III.9 of the GATT 1994, and in Article VIII of the General Agreement on Trade in Services (GATS).

Competition policy

28. The representative of Cambodia said that Cambodia did not have a competition law, but Cambodia was seeking assistance to draft legislation to ensure fair competition in various business activities. Asked to provide information on how Cambodia was addressing the provisions of Article VIII of the GATS concerning monopolies and exclusive service suppliers, he said that in general his Government was pursuing a policy of gradual liberalization of previously monopolized services to involve private participation, including foreign competition.

FRAMEWORK FOR MAKING AND ENFORCING POLICIES

29. The representative of Cambodia said that Cambodia was a constitutional monarchy. The Constitution had been promulgated in September 1993. The Monarch was Head of State and held his function for life. The Monarch appointed the Prime Minister and Council of Ministers, as well as the Commander-in-chief of the Royal Cambodian Armed Forces. He signed decrees on the appointment, transfer or dismissal of high civil or military officials and judges, declared war, and could proclaim a state of emergency. Moreover, he signed and thereby ratified international treaties and conventions approved by the National Assembly.

30. Legislative powers were exercised by the National Assembly, composed of 122 members elected for 5 years in direct and general elections, and the Senate, made up of 61 members. The National Assembly was the only organ empowered to adopt laws. Other functions of the Assembly included approval of the national budget, the Government's programmes and strategies, and proposals by the Government to introduce, reduce or annul taxes. Legislation usually originated in the relevant line ministries. Draft Legislation approved by the Council of Ministers was presented to the

Assembly for review and enactment. The Senate reviewed the laws passed by the National Assembly and could make binding recommendations to the Assembly on the proposed legislation. Legislation was promulgated by signature of the Monarch and became effective in the capital ten days after signature and throughout the country within 20 days. Laws violating constitutional principles could be annulled by the Constitutional Council, composed of nine members designated for nine-year terms by the Monarch, the National Assembly and the Supreme Council of Magistracy. The President of the National Assembly was a member of the Council of the Throne, which decided on the succession of the throne. The President of the Senate acted as Head of State in the absence of the Monarch (or if unable to fulfill his functions).

31. Judicial power was exercised by independent courts, judging on the basis of the Constitution, existing laws and international agreements ratified by the Kingdom. Cambodia's judicial system comprised lower courts, including provincial, municipal and military courts, an Appellate Court and a Supreme Court. However, the Supreme Court foreseen in the September 1993 Constitution had not been established so far. Pending its establishment, decisions of the Appellate Court could be appealed to the Supreme Court established by the former State of Cambodia. According to the 1993 Constitution, the Supreme Court would be responsible for judicial review of the law and appeals of decisions rendered by the Appellate Court.

32. Cambodia's present judicial system did not provide for specialised courts, such as administrative or commercial courts. However, Chapter III of the draft Law on Judicial Organization envisaged the right to appeal of administrative decisions before the Administrative Chamber of the Appellate Court. Decisions of the Administrative Chamber could then be appealed before the Supreme Court. As for commercial disputes, the Ministry of Justice together with the Ministry of Commerce were preparing a draft law establishing a Commercial Tribunal. In the interim, commercial cases were brought before provincial and municipal courts. Voluntary settlement of commercial disputes came within the competence of the Chamber of Commerce, empowered to act as an arbiter under Article 9 of the 1995 Chamber of Commerce Law. Cambodia had ratified the New York Convention on the Enforcement of Foreign Arbitral Judgement on 5 January 1960. The Ministry of Commerce was preparing a Law on Commercial Arbitration to implement the New York Convention.

33. A Member noted that commercial cases were being heard in common courts, pending the establishment of a Commercial Court system. The present system did not, in his view, offer businesses adequate legal protection. This Member considered the establishment of a Commercial Court system with trained judges and staff essential to create a climate of transparency and predictability, and the system should therefore be in place prior to accession. This Member also noted

that Cambodia had ratified the New York Convention on the Enforcement of Foreign Arbitral Judgments, and asked what legislative action the Ministry of Commerce was taking to implement the convention.

34. In reply, the representative of Cambodia said that his Government had signed a Memorandum of Understanding with a Member in February 2003 regarding the provision of technical assistance to draft a Law on the establishment of a Commercial Court and the rules of a Commercial Arbitration Center, and he hoped that WTO Members would make additional assistance available. The National Assembly and Senate had adopted implementing legislation for Cambodia's accession to the New York Convention on the Enforcement of Foreign Arbitral Judgments in 2002, and the draft Commercial Arbitration Law was now before the Council of Ministers.

35. The representative of Cambodia said that the Council of Ministers, or Royal Government, was the executive branch of the Kingdom of Cambodia. The Council was accountable to the National Assembly and chaired by the Prime Minister. The Prime Minister was in charge of executing the decisions taken by the Council. He presented decrees to the Monarch for signature, and could issue sub-decrees on his own authority, upon approval of the Council of Ministers. Individual ministers issued ministerial decrees, decisions and circulars. Once signed, all regulatory acts were published in the Official Journal.

36. Policies related to foreign trade were formulated and implemented by the Ministry of Economy and Finance, in close co-operation with the Ministry of Commerce, the Council for the Development of Cambodia, the National Bank of Cambodia, the Ministry of Planning, and the Ministry of Industry, Mines and Energy. Border control of international trade fell under the competence of the Customs Department, which was in charge of tax collection and the preparation of tariff schedules. The Ministry of Commerce registered foreign business activities. The Ministry of Commerce also participated in border control, fraud repression, in the formulation and implementation of technical standards, and in the development of policies concerning intellectual property rights. The Council for the Development of Cambodia implemented investment regulations, while issues related to industrial and technological development, exploitation of natural resources and the production and supply of electricity and potable water fell under the competency of the Ministry of Industry, Mines and Energy. He confirmed that provincial and municipal authorities had no jurisdiction over policies affecting foreign trade.

37. The Ministry of Commerce acted as the focal point for activities related to WTO accession. The WTO Office of the Ministry had 10 professional staff. In addition, an Inter-Ministerial Co-ordinating Committee on WTO Accession, chaired by the Minister of Commerce, had been

established in September 1997. The role of this Committee, which counted 15 members at the policy level and three officials from each of the 23 ministries and agencies involved in WTO activities at the working level, was to (i) coordinate policy issues related to WTO accession; (ii) elaborate guidelines to implement WTO Agreements; (iii) prepare the necessary documentation; (iv) define the Government's priorities related to foreign trade policies; (v) ensure coordination with other Ministries; and (vi) report to the Prime Minister on issues related to WTO accession. In August 2001, his Government had appointed a working group comprising more than 110 senior government officials to assist in matters related to Cambodia's accession to the WTO.

38. International treaties, conventions and intergovernmental agreements concerning economic, technical, cultural and defense co-operation were negotiated by the Prime Minister and, after approval by the National Assembly, ratified and promulgated by the Monarch. Specifically concerning the ratification process of Cambodia's Protocol of Accession, a package including the Protocol and all WTO Agreements and legal documents would be submitted by the Royal Government to the National Assembly and the Senate for adoption. The package would then be presented to the Monarch for promulgation, after which it would be published in the Official Journal. He confirmed that WTO provisions would prevail over national legislation, with the exception of Cambodia's Constitution, in case of conflict between domestic legislation and the WTO Agreements.

39. He added that compliance with WTO Agreements required the preparation of many important pieces of legislation in Cambodia. He provided an Agenda for Enacting Laws for WTO Conformity document WT/ACC/KHM/10, which was subsequently revised and up-dated on a regular basis (see Revision 1 of 31 July 2002 and Revision 2 of 3 March 2003). In this respect, a Member was concerned about the long period foreseen for the adoption of the Civil Procedure Code, which underpinned the effective enforcement of other laws. The representative of Cambodia replied that the draft Civil Procedure Code would be submitted to the Council of Ministers in the near future.

40. Concerning the transparency requirements prescribed in Article X of the GATT, Article III of the GATS and other WTO Agreements, the representative of Cambodia said that all laws and other regulations were published in the Official Journal and entered into force 10 days after their publication in Phnom Penh and 20 days in the rest of the country. Implementing decisions of the Ministries were also published. As to the establishment of enquiry points stipulated in Article III of the General Agreement on Trade in Services, he noted that developing countries might be granted flexibility as to the time-limit within which such enquiry points were to be established, and Cambodia might need to avail itself of this flexibility. In 2002, the Council of Ministers had approved the establishment of a Services Enquiry Point at the Ministry of Commerce. However, Cambodia would

need assistance to equip the office with computers and software, and for the training of its staff, to make the enquiry point fully operational.

41. A Member stated the Official Journal was only available by subscription, and many private sector entities seemed unaware of its existence. Although all laws appeared to be published in the Journal, some new regulations had been omitted. This Member suggested that Cambodia might consider posting its Official Journal on the internet to improve access to new laws and regulations, and would welcome other practical steps taken by Cambodia to ensure proper publication of new regulations in the Official Journal.

42. The representative of Cambodia replied that laws and regulations were published in the Khmer language in his Government's Official Journal, and Cambodia would make every endeavour to ensure that all regulations would be included. Cambodia was also prepared to post the contents of the Official Journal on the website of his Government.

POLICIES AFFECTING TRADE IN GOODS

Trading rights (the right to import and export)

43. The representative of Cambodia said that the Law on Commercial Regulations and the Commercial Register of 3 May 1995, as amended on 18 November 1999, required all commercial enterprises operating in Cambodia to register with the Ministry of Commerce. Copies of the "Instruction Circular on Commercial Registration at the Ministry of Commerce" and the "Announcement on Commercial Registration", both dated 3 December 1997, were reproduced in document WT/ACC/KHM/2, Annex 7B.

44. Commercial enterprises could register in the form of sole proprietorships, general partnership, limited partnership, private limited company, single member private limited company, public limited company, public institution, State enterprise, or joint venture. Natural persons per se could not engage in import activities as the Law on Commercial Regulations and the Commercial Register allowed registration of legal entities only. However, an individual could register, for example, as a single shareholder limited liability company.

45. A prohibition on companies with less than 51 per cent Cambodian ownership to engage in import/export activities for the sole purpose of re-selling goods without transformation had been abolished pursuant to a Declaration of the Ministry of Commerce of 25 January 2000. He confirmed that all firms, foreign and domestic, properly registered with the Ministry of Commerce, could engage in import and export activities of all types of goods except military equipment and narcotic drugs.

Trade in forestry products could only be conducted by licensed concessionaires (domestic or foreign) according to Article 4, Chapter 2 of Sub-Decree No. 05 of 7 February 2000. A firm could amend its registration to include import and export activities by filing an application to amend its Memorandum and Articles of Association to the Ministry of Commerce. The amended registration would be deposited at the Office of Commercial Registry at the Ministry.

46. Registration required a company official to appear in person and deposit the required documentation - including a completed Registration Application Form, the Memorandum and Articles of Association, a Statement of Conformity, a certificate of the estate title or lease agreement, and copies of the identification papers as well as photographs the company directors and shareholders - with the Ministry of Commerce. Applications which were not supported by the required documentation would be rejected. The procedure to enrol in the Commercial Register took about two weeks. The registration fee amounted to 260,000 Riels (approximately US\$70) for national and foreign companies. In addition, companies investing in Cambodia and applying for project approval were required to pay registration fees to the Council for the Development of Cambodia (CDC) in accordance with the Law on Investment of 4 August 1994. These fees amounted to US\$600 for investment projects up to US\$1 million and US\$1,200 for investment projects above US\$1 million.

47. Some members were concerned that the requirement to provide photographs of the directors and shareholders of a limited liability company would be unnecessarily burdensome for large companies with many stockholders, e.g. foreign firms wishing to establish operations in Cambodia. In reply, the representative of Cambodia said that the same requirements applied to domestic and foreign firms engaged in trade. According to Cambodian legislation, a private limited company could not have more than 30 individual shareholders. A public limited company needed only to submit photographs of the members of its board of directors. The photo requirement was applied for security reasons, principally to avoid fraud. He did not believe the requirement created obstacles for companies registering in Cambodia.

48. Noting that importation of pharmaceuticals was limited to pharmacists and the importation of agricultural inputs to agricultural technicians (see the section "Quantitative import restrictions, including prohibitions, quotas and licensing systems" below), a Member asked whether Cambodia distinguished between the right of importation and the right to distribute such products domestically. This Member sought recognition of the right to import, i.e. to be the importer of record, as a separate status from that of distribution, and would therefore welcome steps by Cambodia to simplify requirements to import, on the understanding that stricter requirements might be maintained for distributors within Cambodia's market.

49. The representative of Cambodia clarified that among the imported agricultural inputs only veterinary medicine was reserved for agricultural technicians. He added that, in practice, importers of agricultural inputs and pharmaceuticals also distributed the goods within Cambodia, and it would be difficult to separate the importation and distribution functions in a country such as Cambodia.

1. Import Regulation

Customs tariff

50. The representative of Cambodia said that the Customs and Excise Department had embarked on a Customs Reform and Modernization Programme aimed at creating a modern customs administration combining efficient revenue collection and protection at the border with the needs of the private sector for fast, straightforward and reliable customs services. Major elements of the reform programme included strengthening of the legal framework, restructuring of the customs tariff, modernization and streamlining of customs procedures, expansion of international relations, effective enforcement, automated systems and procedures, measures to strengthen the Customs and Excise Department, better service to the public and trade facilitation. A summary of the reform strategy was provided in document WT/ACC/KHM/6, Annex IV.

51. The Law on Import and Export Duties of 15 September 1989, as subsequently modified by decisions of the Ministry of Economy and Finance, constituted the legal basis for the imposition of tariffs. Cambodia's customs tariff was specified at 8 digits. The tariff nomenclature comprising 6,823 tariff lines in 2001 conformed to the 1996 version of the Harmonized System (HS) at the six-digit level. All rates were *ad valorem*. At present, only MFN rates of duty existed, except for CEPT products originating within ASEAN. As member of ASEAN, Cambodia was committed to extend tariff preferences as stipulated in the ASEAN Agreement on a reciprocal basis.

52. In reforming its tariff structure, Cambodia had reduced the number of tariff bands from 12 to 4 at present (0, 7, 15, and 35 per cent). The highest tariff rates of 40, 50, 90 and 120 per cent had been abolished. Items subject to the maximum rate of 35 per cent were listed in document WT/ACC/KHM/6, Annex III. The simple average rate of duty had amounted to 16.4 per cent in 2001, and the objective was to achieve an average tariff level below 15 per cent by 2002/03. While Cambodia was reducing its import duties, excise taxes were being increased to ensure that the tax reform would be revenue neutral.

[Cambodia's Customs Tariff 2001 can be consulted in the Secretariat (Room 1126) or requested in electronic format from accessions@wto.org. Cambodia's initial offer on goods was submitted in December 2001, and revised offers in July 2002 and March 2003. The initial and the revised offers

are available in electronic form or in hard copy for consultation (see notice in document WT/ACC/SPEC/KHM/1 and its Rev.1 and Rev.2).]

Other duties and charges

53. The representative of Cambodia said that other than ordinary customs duties, Cambodia imposed no duties or charges of any kind within the meaning of Article II.1(b) of the GATT 1994 on or in connection with importation, except for petrol and diesel. On these two items, his Government was imposing a charge of US\$0.02 and US\$0.04 per litre, respectively.

Tariff rate quotas, tariff exemptions

54. The representative of Cambodia said that the Law on Import and Export Duties of 1989, Article 9.1, allowed importation free of customs duty for (i) temporary imports for re-export; (ii) goods in transit; (iii) personal items of Cambodians having resided abroad; (iv) imports by diplomatic missions, for humanitarian or religious purposes, etc.; and (v) border trade within limits determined by the Ministry of Finance. Tariff exemptions were also accorded on goods imported in connection with investment projects approved by the Council for the Development of Cambodia in accordance with the 1994 Law on Investment. In addition, the Prime Minister had the authority to order ad hoc exemptions for compelling reasons of national interest, primarily emergency situations (Article 5 of the draft Law on Customs). Thus, 120 cars had been imported free of duty for the members of the National Assembly in 1994, but no such exemptions were currently in force. All tariff exemptions were applied on an MFN basis.

55. Noting a statement by the representative of Cambodia that Cambodia did not apply tariff quotas at present, but might consider the introduction of tariff rate quotas on certain agricultural imports in the future, some Members emphasized that such measures would complicate Cambodia's market access negotiations, and would involve complex procedures in establishing proper access conditions, as well as non-discriminatory and transparent allocation and administration of the tariff quota system.

56. The representative of Cambodia took note of these comments. Although Cambodia had not resorted to tariff rate quotas so far, Cambodia would reserve its right to implement such quotas depending on the outcome of the accession negotiations.

Fees and charges for services rendered

57. The representative of Cambodia said that Cambodia applied a fee of 15,000 Riels (nearly US\$4) per import/export declaration. The fee was levied on imports from all sources, including

Cambodia's preferential trading partners. The charge corresponded to the cost of printing the customs declaration form and the time spent by customs officers in processing the declaration. Some 100 customs officials processed approximately 6,000 customs declarations every month.

58. Some Members requested that Cambodia review the fee for the provision and processing of import/export declarations, referring to the public service nature of this function. In reply, the representative of Cambodia considered Cambodia's user or processing fees commensurate to the costs of the services rendered, and thus not in conflict with WTO provisions.

Application of internal taxes

59. The representative of Cambodia said that Cambodia levied excise taxes in accordance with the Law on Taxation of 1997. Tax rates, which were identical for imported and domestically produced goods, were applied on the ex-factory price for domestic goods and the tariff inclusive CIF value of imports. The excise tax amounted to 10 per cent for soft drinks, beer, wine and spirits, cigarettes and other tobacco products, and petrol and lubricating oil. For automobiles, buses, trucks, motorcycles and spare parts the tax ranged from 10 to 30 per cent, as indicated in Table 2. He added that Cambodia did not have a domestic automobile manufacturing industry at present.

60. Some Members noted that Cambodia had introduced a tax of 3 per cent, applied solely to imported alcohol and tobacco products, in late 1998. Cambodia was requested to bring this tax into conformity with Article III of the GATT 1994. The representative of Cambodia replied that the 3 per cent tax in effect on imported alcohol and tobacco products since September 1999 had been extended to domestically-produced items on 1 January 2002.

61. The representative of Cambodia said that value added tax had replaced the former turnover and consumption taxes on 1 January 1999 in accordance with the Law on Taxation of 8 January 1997. VAT was levied at a single rate of 10 per cent on goods and services. Exports, including international transportation of passengers and goods, were zero rated. On imported goods, VAT was applied uniformly on imports from all sources on the CIF value including customs duties and excise taxes (if applicable).

62. Some Members noted that the value added tax system was being introduced gradually in Cambodia, and asked what steps Cambodia was taking to bring the system into conformity with the national treatment provisions of the WTO. Cambodia was urged to eliminate any discrimination in the application of the value added tax to domestically-produced and imported products.

63. In reply, the representative of Cambodia provided a descriptive note on the operation of VAT in document WT/ACC/KHM/18. At first, the VAT system had been applied only to 1,000 large and medium taxpayers – based on annual turnover - in the capital Phnom Penh. The system had subsequently been extended to additional entities in Phnom Penh as well as taxpayers in five other provinces. A further five provinces had been added in 2002, and the number of taxpayers was increasing rapidly, currently comprising some 2,900 entities. The Ministry of Economy and Finance had conducted a survey of taxpayers in all provinces in 2000 and 2001, and the most recent expansion in coverage included all provinces with taxpayers meeting the VAT threshold.

64. Small taxpayers were not required to pay VAT. Instead, they were assessed a tax of 2 per cent on their annual turnover. The rationale for this dual system was that the administration and compliance costs of a full-fledged VAT regime would outweigh the expected revenue to be collected from small taxpayers. Entities not required to pay VAT could register voluntarily if they considered it to be in their interest to do so.

65. Certain goods and services were exempt from VAT, notably public postal services; hospital, clinic, medical, and dental services, and goods incidental to the performance of such services; transportation of passengers by wholly State-owned public transport entities; insurance and primary financial services; public-interest non-profit activities; imported articles for personal use exempt from customs duties; goods imported by foreign diplomatic and consular missions, international organizations and technical cooperation agencies of other governments, for official use; and 10 categories of agricultural inputs and/or "raw agricultural products" such as fertilizer, plant seeds, veterinary medicines, animal feeds, breeding stock, small tractors and spare parts, and miscellaneous agricultural machinery (Prakas No. 303 MEF/TD of 23 May 2001). Farmers selling their own produce were not subject to any taxes, but enterprises in the food distribution chain would be subject to VAT or turnover tax in accordance with the established levels of annual turnover. Imported agricultural inputs exempted from VAT are listed in Table 3. The Council of Ministers had reaffirmed that VAT on imported and domestically-produced agricultural products should be identical at a full Cabinet meeting on 20 December 2002. Since July 2001, the estimated revenue foregone due to the VAT exemptions had amounted to 2 billion Riels in the second half of 2001 and 1.5 billion Riels in the first five months of 2002.

Quantitative import restrictions, including prohibitions, quotas and licensing systems

66. The representative of Cambodia said that importation of narcotic drugs and poisons, including many pesticides, was prohibited. A list of pesticides banned from use in Cambodia is reproduced in Table 4. [Some Members have requested a complete list of prohibited import items.]

67. Initial information on import licensing procedures was provided in document WT/ACC/KHM/2, Annexes 3 and 8, and revised information in documents WT/ACC/KHM/17, WT/ACC/KHM/17/Rev.1 and WT/ACC/KHM/17/Rev.2. He noted that Cambodia applied no quantitative restrictions on imports. However, a limited licensing system had been established for the protection of human health, consumer interests, national security, and to protect the environment. Products subject to import licensing are enumerated in Table 5. He stressed that the system was not designed to restrict the quantity or value of imports, except for pesticides. He confirmed that products not identified in document WT/ACC/KHM/17 and its Revision 1 were free from licensing requirements.

68. Non-automatic licences were applied to imports of aircraft and parts, ships and boats for military purposes. The Ministry of Defence administered imports of explosives, ammunition, military hardware, and other related products for military purposes in accordance with Governmental Sub-Decree No. 38 of 30 April 1999 on Management and Control of the Imports, Production, Distribution and Sale of all kind of Explosives and Ammunition. Importation of the same products for security purposes was administered by the Ministry of Interior.

69. The Ministry of Agriculture, Forestry and Fisheries (MAFF) issued licences (authorization letters) for importation of agricultural inputs, principally pesticides and fertilizer, in accordance with the Law on Drug Management of 9 May 1996 and the Sub-Decree on Standards for and Management of Agricultural Materials of 28 October 1998. The importer should be registered with the Ministry of Commerce and the products should be registered and authorized by the Ministry of Agriculture, Forestry and Fisheries. At present, 15 companies were authorized to import agricultural inputs. Registration was also required for the products to be imported. The quantity of pesticides imported by individual companies could be restricted due to safety requirements, including appropriate storage facilities, as well as domestic demand. In the future, Cambodia was considering either to allow registered goods into warehouses and release for sale or use after inspection, or to allow for accreditation of pesticides through bilateral agreements with the countries of origin. Cambodia was not in a position to undertake risk assessment at present, and would welcome assistance in developing such capacity. Fertilizer imports were licenced to minimize the environmental impact of soil degradation, acidity or salinity.

70. Asked to provide further detail on the import regime applicable to pesticides, in particular regarding restrictions based on domestic demand, the representative of Cambodia added that local conditions often led to rapid degradation of pesticide products, and thus expensive and potentially environmental harmful disposal of such products. Data on areas under cultivation and pest infestation levels allowed his authorities to estimate the needs for pesticides in any given crop year. Import

licences were granted on a first come, first served basis up to the estimated requirements. The authorities could decide to authorize additional imports, and all registered importers would be informed of such decisions. Fully-stocked individual importers could be denied licences as a temporary measure until they would have the necessary capacity to store additional products. Cambodia had no plans to allow petitions for import tolerances, but as a Member of ASEAN Cambodia would adhere to the maximum residue limits of ASEAN as well as to FAO standards. The current import measures were applied due to Cambodia's limited capacity for safe handling and storage of pesticides, and could therefore, in his opinion, be justified under Article XX(b) of the GATT 1994.

71. Cambodia had experienced problems with counterfeit pharmaceuticals and drug trafficking, and permission was accordingly needed for the importation of pharmaceutical products and materials, vitamins and hormones in accordance with the Law on Drug Management and Prakas No. 82 of 31 March 1999 on "Procedures for Exports and Imports of Pharmaceuticals". The importer should be a pharmaceutical company registered at the Ministry of Commerce and authorized by the Ministry of Health. At present, 90 companies were registered as authorized importers at the Department of Drugs and Food. Registration was also required for the products to be imported. The licensing procedure for first consignments of pharmaceuticals and vitamins would normally take three weeks due to laboratory analyses. Licences for subsequent consignments could be issued within one week as further laboratory analysis would not be necessary. Information on the procedure to be followed was published in the Official Journal of the Ministry of Health.

72. Responding to concerns that the registration regime for importers of agricultural inputs and pharmaceutical products and materials might restrict imports indirectly or constitute a non-tariff measure, the representative of Cambodia underlined that Cambodia's legislation allowed any physical or juridical person to seek registration, and registration would be granted subject to the fulfilment of objective criteria related to safety, availability of necessary facilities or staff qualifications. The relatively low number of registered importers of agricultural inputs and pharmaceutical products and materials reflected the limited size of the domestic market. He noted, for example, that among the 90 firms authorized to import pharmaceutical products, only 30 of them had actually engaged in import trade in 2002.

73. Import licences issued by the Ministry of Health were valid for six months and could be extended upon request. Licences for agricultural inputs were valid for one year and were also extendable. These import licences were issued free of charge, but each pharmaceutical product registered with the Ministry of Health was subject to a one-time fee of US\$200 (Prakas of the Ministry of Health No. 254 of 13 June 1996), and each agricultural input registered at the MAFF was

subject to a registration fee of US\$30. Other import licences were issued against a fee of 15,000 Riels and were valid for three months. The validity of these licences could, upon request, be extended for an additional two months. A complete licence application would normally be processed within seven days. Licensing decisions could be appealed through the judicial and administrative procedures established in Cambodia.

Customs valuation

74. Some Members noted that Cambodia's present customs valuation regime, based on the Law on Customs Duty and Tax on Imports and Exports of Goods of 1989, was not in compliance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (Customs Valuation Agreement) and that Cambodia intended to address the deficiencies in a new Law on Customs and its implementing regulations. In this connection, these Members reminded Cambodia about the provisions of the Agreement regarding valuation hierarchy, prohibited methods of appraisal, confidentiality, right of appeal, transparency, sureties for the release of merchandise, and the adoption of the Interpretative Notes. Among the problems mentioned by Members were duplication of work by customs agencies, customs red tape, delays in the processing of documents, and over-valuations or inconsistent valuations. Some Members agreed that certain aspects of the Agreement could be implemented over time, but hoped that the length and breadth of any transitional arrangements would be limited. In their view, critical provisions central to the issue of market access and the maintenance of a stable, predictable trade regime should be in place at the time of Cambodia's accession to the WTO. Cambodia should not expand the use of minimum prices beyond the products currently listed in its legislation, and the prohibited methods of valuation should not otherwise be used.

75. In reply, the representative of Cambodia said that the new draft Law on Customs had been approved by the Council of Ministers and was planned for enactment by the National Assembly by October 2003. The regulations would be developed upon completion of the drafting of the new Law. He emphasized that Cambodia would seek a transition period. An Action Plan for the implementation of the customs valuation agreement was provided in document WT/ACC/KHM/13, and a revised action plan in document WT/ACC/KHM/13/Rev.1. Cambodia's outline of specific actions taken during 2001-2003 is presented in Table 6(a), and Cambodia's proposal for transitional arrangements are detailed in Table 6(b).

76. Implementation of the hierarchy of valuation techniques implied that Cambodia's present use of minimum values would need to be phased out and replaced by the transaction value provisions of the Agreement. Items currently subject to minimum customs values are listed in Table 7. His

Government considered that a move to transaction value at the time of Cambodia's accession to the WTO would pose major risks to government revenue. He therefore proposed that minimum customs values be phased out gradually over a period of five years, with full compliance with the Customs Valuation Agreement to be achieved by the end of 2008. The challenges facing the customs administration at present included a low rate of voluntary compliance by importers, lack of sound accounting systems and record keeping, and the limited capacity of the Customs and Excise Department to administer transaction valuation provisions. Time would be needed to educate importers in the new valuation provisions, proper customs record keeping and accounting systems, as well as for Customs to develop its internal administrative procedures, such as post clearance audit, and to educate staff. The Customs and Excise Department would seek technical assistance in preparing and implementing the transition plan.

77. Some Members noted that Cambodia appeared also to be using data on reference prices provided by a Preshipment Inspection (PSI) firm. The Customs Valuation Agreement strictly prohibited such practice, and Cambodia should eliminate it prior to the date of accession.

78. The representative of Cambodia confirmed that Cambodia was using a reference database, but only as a guide for appraising valuation declarations. He considered the database an appropriate tool for assisting in the appraisal of the value of imported goods in accordance with the Customs Valuation Agreement. The database would not be used to establish actual transaction values, but only as a reference for establishing the reasonableness of values and for risk assessment purposes, in compliance with the Agreement.

79. Concerning the transparency of legislation, the representative of Cambodia noted that Article 93 of Cambodia's Constitution required laws to be published in the Official Gazette and brought to the knowledge and attention of the population before entering into force. Legal texts related to customs matters were published in the Official Gazette for the general public on a non-discriminatory and transparent basis. In addition, the Customs and Excise Department frequently provided legislation and regulations to the 30-50 largest importers to up-date them on legal developments. He expected the new Law on Customs would receive extensive publicity through seminars, publications, and other information sources such as the departmental web-page.

80. The representative of Cambodia confirmed that Cambodia was requesting a transitional period until the end of 2008 to complete the phasing-out of minimum customs value and administrative values, and full implementation of the valuation hierarchy stipulated in Article 21 of the draft Law on Customs. Provisions in the Customs Valuation Agreement relating to transparency,

confidentiality, right of appeal, sureties for the release of merchandise, and the interpretative notes relevant to these issues would be implemented by the time of Cambodia's accession to the WTO.

Rules of origin

81. Noting initial statements by the representative of Cambodia that Cambodia had not yet established regulations on rules of origin, but intended to introduce preferential rules of origin as required by its membership in ASEAN, a Member sought a commitment that upon accession Cambodia would apply its laws and regulations on rules of origin in conformity with the provisions of the WTO Agreement on Rules of Origin. This Member also sought confirmation that Cambodia's laws would incorporate the requirements of Article 2(h) and Annex II, paragraph 3(d), i.e., that for non-preferential and preferential rules of origin, respectively, the customs authority would provide upon the request of an exporter, importer or any person with a justifiable cause an assessment of the origin of the import and outline the terms under which it would be provided, and that any request for such an assessment would be accepted even before trade in the goods concerned began.

82. The representative of Cambodia said that, for non-preferential trade, importers were required to indicate a product's origin in the import declaration. The requirement was applied for statistical purposes only. He added that Cambodia would take into account the provisions of the WTO Agreement on Rules of Origin when developing the legislation in this area. Provisions for the administration of rules of origin would be included in the new Law on Customs, which he expected Cambodia to implement in late 2003. The Ministry of Commerce was responsible for issuing certificates of origin.

Other customs formalities

83. The representative of Cambodia confirmed that Cambodia did not require authentication of import documentation by consular officials or other institutions in the country of export. He added that the Customs and Excise Department was reviewing all customs clearance procedures and processes with a view to simplification and modernization, and the application of risk management techniques. Sub-Decree No. 64, issued in mid-2001, contained measures to rationalise the presence of government agencies at border checkpoints. The Customs and Excise Department and CAMCONTROL (Ministry of Commerce) were lead agencies in the clearance process, while other governmental agencies participated in joint committees with clear mandates and responsibilities at all border checkpoints. He expected automation of the customs clearance process to result in further efficiency gains, and the new Law on Customs would provide the legislative basis for this initiative.

84. Concerning efforts to combat smuggling – an issue raised by several Members as competition from smuggled goods was impeding regular market access – the representative of Cambodia said that Government Order No. 02 issued by the Council of Ministers on 19 December 2001 had launched a major anti-smuggling initiative. The Government Order directed the military, the police and local authorities to co-operate with and assist the Customs and Excise Department in anti-smuggling operations. An Inter-Ministerial Commission had been set up under the direction of the Minister of Economy and Finance to plan, co-ordinate, and to monitor this initiative. At the same time, steps had been taken to strengthen the Customs and Excise Department and to improve its level of integrity. The anti-smuggling initiative provided generous financial rewards to customs officials participating in successful anti-smuggling operations. Cambodia was also seeking technical assistance to equip enforcement teams with appropriate tools and facilities.

Preshipment inspection

85. The representative of Cambodia said that his Government had signed a contract with a preshipment inspection firm in 1995. A new contract had entered into force in October 2000. The contract, valid for two years plus a one-year extension, would be in effect until October 2003. The regime was regulated in accordance with Prakas No. 599 SHV.PRK of 31 August 2000 on "the Implementation of Pre-shipment Inspection Services". The current contract emphasized the provision of training and technical assistance to the Customs and Excise Department to build expertise, technical skills and know-how and thereby allowing preshipment inspection to be phased out during a period of maximum three years.

86. The present preshipment inspection contract applied to consignments valued at US\$4,000 or more (FOB). Goods worth less than US\$4,000 were valued by the Cambodian Customs and Excise Department (some remote customs check points were authorized to make valuation decisions for imports up to US\$1,200). Exempt from preshipment inspection were precious stones and precious metals; objects of art; explosives and pyrotechnic products; ammunition, weapons and implements of war; live animals; current newspapers and periodicals; household and personal effects; parcel post or commercial samples; gifts from foreign governments or international organizations to foundations, charities and recognized humanitarian organizations; gifts and supplies to diplomatic and consular missions and to agencies related to the United Nations Organization imported for their own needs; grants in kind; goods imported for government use under government order; scrap metals; cigarettes; and temporarily admitted goods (inward processing for export).

87. The preshipment inspection firm verified the information to be used by Customs such as quantity, quality, value, tariff classification and duties and taxes payable. Valuations would be based

on the principle of Fair Market Price until the entry into force of the new Law on Customs. From then on, the preshipment inspection firm would provide valuation opinions based upon procedures consistent with WTO requirements. The fee for preshipment inspection amounted to 0.80 per cent of the FOB value of the inspected goods, except for bulk petroleum products (US\$0.30 per metric ton). Importers failing to secure preshipment inspection, and thus necessitating goods to be inspected by customs officials at the border checking point, incurred a penalty equal to 7 per cent of the CIF value of the imported goods. A Dispute Settlement Working Group had been established to resolve promptly claims or disputes arising from the implementation of preshipment inspection. He noted that while the Dispute Settlement Working Group had been in operation since early 2001, importers had yet to bring formal cases to it for resolution. Importers tended to raise their concerns with either the Customs and Excise Department or the preshipment inspection company who would then bring the matter to the Group. Steps would be taken to encourage importers to make formal representations to the Working Group. He added that Article 24 of the draft Law on Customs provided for appeals against customs decisions, first to the Customs and Excise Department, next to a Customs Tariff Committee, and finally to the court. The Committee, providing an independent appeal process for importers and exporters, would be appointed by Anukret.

88. Some Members considered the 0.8 per cent *ad valorem* charge for preshipment inspection a violation of Article VIII of the GATT as the fee was not related to the approximate cost of the services rendered. In addition, a Member pointed out that the 7 per cent penalty imposed on non-inspected goods would be in contravention of GATT Article VIII paragraph 3.

89. The representative of Cambodia replied that upon expiration of the present contract, a new or modified contract on preshipment inspection would stipulate compliance with GATT Article VIII by requiring the preshipment inspection fee to be commensurate with the service rendered and not the value of the goods inspected. A full Ministerial Cabinet meeting had reconfirmed a decision to this effect on 20 December 2002. Concerning the penalty issue, in his view Article VIII of the GATT 1994 dealt only with "penalties for minor breaches of customs regulations or procedural requirements", while failure to comply with mandatory preshipment inspection would constitute a substantial breach of the legal requirement laid down in the Prakas of the Ministry of Economy and Finance on preshipment inspection of imported products. He stressed that penalties discouraged duty evasion, and were necessary to protect government revenue and the competitive position of compliant importers.

90. The representative of Cambodia stated that the preshipment inspection system, if still in force at the time of accession, would be in conformity with the Agreement on Preshipment Inspection.

Anti-dumping, countervailing duties, safeguard regimes

91. The representative of Cambodia said that Cambodia had not yet developed any trade remedy legislation. According to Cambodia's legislation agenda, the law on anti-dumping and countervailing measures and the law on safeguard measures were not expected to be approved until the second half of 2004. He added that Cambodia would apply safeguard, antidumping or countervailing measures consistent with the WTO Agreements, including their procedural aspects, as a member of the WTO.

92. Appreciating these assurances, some Members requested that Cambodia would make a commitment not to apply antidumping, countervailing or safeguard measures without first implementing appropriate laws and notifying to the WTO legislation covering such measures consistent with WTO Agreements on the Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, on Subsidies and Countervailing Measures, and on Safeguards. These Members invited Cambodia to submit draft legislation, if available, to the Working Party for review.

2. Export regulation

Customs tariffs, fees and charges for services rendered, application of internal taxes to exports

93. The representative of Cambodia said that Cambodia levied export taxes on certain unprocessed raw materials and products to encourage local processing, encourage exports of finished products and to protect human health. The products subject to export taxes are enumerated in Table 8. Responding to requests from some Members that Cambodia abolish all export duties upon accession, the representative of Cambodia said that export duties were - to his knowledge - permitted under WTO rules, subject to the disciplines of Article I of the GATT. Cambodia's export duties were applied on an MFN basis and hence its ASEAN partners were not exempt from these taxes. Export taxes had accounted for approximately 2 per cent of the customs revenue collected by the Customs and Excise Department in 2000.

94. He confirmed that the registration requirements for exports were the same as for imports, and that the 15,000 Riels fee applied to each import/export declaration covered the cost of printing of the customs declaration form and the time spent by customs officers in processing the declaration. Preshipment inspection of exported products was effected by CAMCONTROL, a body under the Ministry of Commerce. Cambodia's export garment industry was exempted from preshipment inspection without any time limitation.

Export restrictions

95. Some Members noted that Cambodia maintained export restrictions on several products. Cambodia was reminded that a WTO Member could only apply export restrictions under tightly defined conditions, and it was not evident that Cambodia's restrictions met these requirements. Specifically, the export licensing restrictions on rice and logs would appear to violate Article XI of the GATT 1994, as these seemed to be applied for economic rather than conservation reasons. Cambodia was asked to explain the parallel restrictions applied to domestic production, and outline how it intended to replace the current measures with WTO-consistent instruments.

96. The representative of Cambodia replied that Cambodia generally did not restrict exports, except for rice; round logs, unprocessed timber and forestry products; antiques more than 100 years old; narcotic drugs and poisons; weapons, explosives and ammunition; and vehicles and machinery for military purposes (see Table 9). He added that the restrictions on rice exports had been lifted on 26 July 2001 pursuant to Prakas-Announcement No. 2290 MoC/M2001 of the Ministry of Commerce. However, his Government would maintain the right to reintroduce restrictive measures in the future if necessary to prevent or relieve critical shortages of foodstuffs, as provided for in Article XI:2(a) of the GATT 1994.

97. As for the export restrictions on forestry products, his Government had issued a Governmental Prakas on Management Measures to Eliminate the Forestry Anarchy No. 01 PROK on 25 January 1999 and a Sub-Decree on Forestry Concession Management No. 05 on 7 February 2000. Exportation of round and sawn logs was prohibited, and Government Decision No. 17 of 29 April 1997 had established a list of wood products authorized for exportation and detailed requirements, including an obligation for the exporter to obtain a special concession to exploit forest resources from the Ministry of Agriculture, access to the export quota established by the Government, as well as a non-automatic export licence issued by the Ministry of Commerce. The Decision also identified specific border crossing points through which wood products could be legally exported. In his view, the export licensing of wood products was applied in conjunction with restrictions on domestic production, aimed at preserving exhaustible natural resources as foreseen under Article XX(g) of the GATT 1994.

Export subsidies

98. The representative of Cambodia said that Cambodia had not yet identified policies or measures relating to export financing or export support. On 28 November 1997, the Ministry of Commerce had issued Declaration No. 343 on the organization and functioning of its Export Promotion Division, pursuant to Government sub-decree No. 54 on the Organization and Functioning

of the Ministry of Commerce of 22 September 1997. The Division was expected to engage in general promotion activities such as assisting the private sector in collecting information on markets overseas, identify potential export opportunities, and participate in organizing trade fairs. As for export incentives, he noted that Article 14 of the Law on Investment of 4 August 1994 stipulated 100 per cent import duty exemption on construction materials, means of production, equipment, intermediate goods, raw materials and spare parts used by an "export-oriented project with a minimum of 80 per cent of the production set apart for exports". As a basic principle, all approved projects were eligible for these duty exemptions.

99. Several Members noted that incentives accorded under the Law on Investment were contingent upon export performance. Article 3 of the WTO Agreement on Subsidies and Countervailing Measures prohibited the use of such subsidies, and these Members accordingly asked Cambodia to indicate how it intended to eliminate prohibited export subsidies from its trade regime. In their view, any request for a transition for Cambodia should involve a detailed commitment to eliminate WTO-inconsistent practices. Cambodia was reminded that, although LDCs might be entitled to retain such subsidies, the measures could still be actionable under the Agreement on Subsidies and Countervailing Measures, which would be a detriment to the predictability and transparency sought by investors and buyers.

100. The representative of Cambodia considered the import duty exemption for export-oriented projects analogous to the exemption referred to in Article 1 (note 1) and paragraph (h) of Annex I of the Agreement on Subsidies and Countervailing Measures. He acknowledged that a duty drawback scheme would be a better way to address this issue, but Cambodia lacked the administrative resources to implement such a scheme properly at present. In any case, he considered least developed countries exempt from the provisions of Article 3.1(a) by virtue of Article 27.2 of the Agreement on Subsidies and Countervailing Measures.

101. Some Members considered the existing system of remission of import fees and waiver of duty for certain goods used by certain investors to be highly complex, lacking in transparency and prone to abuse, and therefore encouraged Cambodia to implement a duty drawback scheme consistent with the Agreement on Subsidies and Countervailing Measures. Pending the implementation of a functioning duty drawback programme limiting rebates to the amount of tariff and tax incorporated in the exported product, the current programmes would need to be notified as subsidies as they did not appear to qualify as valid duty drawback schemes.

102. The representative of Cambodia stressed that Cambodia foresaw insuperable difficulties in the introduction and operation of an effective duty drawback system, and therefore could not make any

commitment regarding such a system. The relevant current programmes would be notified to the WTO as required.

3. Internal policies affecting foreign trade in goods

Industrial policy, including subsidies

103. The representative of Cambodia said that the main objective of Cambodia's industrial policy was to stimulate economic development by enhancing access to international markets and strengthening the industrial base. Efforts focused on building up light industries and developing agro-manufacturing and food processing enterprises to sustain the agricultural sector. Measures had been taken to improve infrastructure for transportation and communication, encourage private and foreign direct investment through the adoption of an appropriate legal framework and the privatization of State-owned enterprises, and to promote the development of industrial zones. Particular attention was also given to the training of industry workers. The establishment of a Petroleum Training Institute and of a Training Institute for Mines and Geology was under consideration. The Ministry responsible for the development and implementation of Cambodia's industrial policy was the Ministry of Industry, Mines and Energy. He confirmed that Cambodia did not grant any subsidies within the framework of its industrial policy.

Technical barriers to trade, sanitary and phytosanitary measures

(a) Standards and certification

104. The representative of Cambodia said that Cambodia's standardization system was at an early stage of development. Cambodia therefore required urgent technical assistance from the international community in the area of technical regulations and standards. A completed checklist of TBT Requirements and Implementation by the Kingdom of Cambodia was provided in document WT/ACC/KHM/8. The current system was largely voluntary, but mandatory standards were applied to some products when deemed necessary to protect national security, prevent deceptive practices or to preserve human, animal, and plant life or health.

105. Some Members reminded Cambodia that the Agreement on Technical Barriers to Trade (TBT Agreement) did not oblige Cambodia to establish standards, technical regulations or conformity assessment procedures. However, the provisions of the Agreement applied when such measures were being developed and applied (enforced). The Agreement established fundamental rules and procedures regarding the development, adoption, and application of voluntary standards, technical regulations, and the procedures used to determine whether a particular product met such standards

(conformity assessment). Accordingly, it was imperative for governments to establish a coordinated approach to the development, adoption and application of standards, technical regulations and conformity assessment procedures to ensure that all ministries, agencies, and private bodies involved in these activities be aware of the obligations and abide by them on an ongoing basis. Issues of particular interest to Members included the use of international standards, recommendations or guides in the elaboration of standards, technical regulations or certification in Cambodia; work to harmonize national standards with international standards; mechanisms for publication and dissemination of draft legislation and standards for public comment prior to their entry into force; the establishment of a TBT Inquiry Point; the inspection process for imported versus domestically-produced goods; recognition of equivalence of technical regulations and conformity assessment procedures of other countries, and recognition of conformity assessment procedures carried out by appropriately accredited testing laboratories in the country of manufacture; and Cambodia's participation in multilateral or bilateral standards-related agreements or mutual recognition agreements or arrangements.

106. The representative of Cambodia replied that the Standards Office in the Technical Department of the Ministry of Industry, Mines and Energy was responsible for current work related to standardization and certification. Sub-Decree on Industrial Standards No. 42/ANK/BK of 15 May 2001 provided the basic rules and procedures for adopting new standards, technical regulations and conformity assessment procedures. He expected a Sub-Decree on Metrology to be adopted during 2003. A Law on Industrial Standards of Cambodia was in preparation and slated for promulgation in the first half of 2004. The new Law would be complemented by a Sub-Decree and implementing regulations.

107. The new Law foresaw the creation of a Department of Industrial Standards of Cambodia (ISC) within the Ministry of Industry, Mines and Energy during 2002. The ISC would serve as Cambodia's TBT Inquiry Point, responsible for identifying and providing notifications to the WTO Secretariat under the TBT Agreement. The ISC would publish a regular Bulletin or Gazette which would carry notices of proposed technical regulations and conformity assessment procedures. The period for public comment on draft standards would be extended to 60 days, against the 30 days (amended standards) and 45 days (new standards) specified in existing legislation.

108. Cambodia had been a member of the International Organization for Standardization (ISO) since 1 January 1995 and had ratified the ASEAN Framework Agreement on Mutual Recognition Arrangements. Imported goods were subject to the same inspection process as domestically-produced goods, and Cambodia would extend any Conformity Assessment Agreements, in particular those foreseen under the ASEAN, to all Members of the WTO. Cambodia recognized certificates from

third countries' certification bodies provided that these bodies had received formal accreditation from international or regional accreditation bodies, or were signatories to a mutual recognition arrangement. In the case of pharmaceutical products, laboratory testing in Cambodia was required prior to registration to check the conformity of the samples.

109. The representative of Cambodia said that Cambodia would endeavour to implement fully the TBT Agreement upon accession, but this would require comprehensive technical assistance from WTO Members and relevant international organizations. Completed tasks, planned activities and related assistance needed during the period 1999-2006 was detailed in Cambodia's Action Plan for the Implementation of the TBT Agreement, circulated in document WT/ACC/KHM/14, and subsequently revised in document WT/ACC/KHM/14/Rev.1. The Action Plan is summarized in Table 10.

110. Having reviewed Cambodia's action plan, some Members questioned Cambodia's need for a two-year period to readjust technical regulations, standards, etc. as good regulatory practice, outlined in Article 2.3 of the Agreement on Technical Barriers to Trade, required the appropriateness and effectiveness of particular standards and technical regulations to be reviewed on an ongoing basis. Cambodia should take immediate steps to fulfil the transparency requirements of the Agreement. Cambodia was encouraged to notify WTO Members of proposed regulations prior to adoption, and carefully consider Members' technical comments on proposed regulations before finalizing them. Noting Cambodia's requests for technical assistance, some Members stressed that Cambodia should not make implementation of the TBT Agreement contingent on the provision of future technical assistance.

111. The representative of Cambodia replied that Cambodia was introducing transparency measures consistent with the requirements of the TBT Agreement. However, the establishment of an effective system of technical regulations, standards and conformity assessment would require extensive technical and financial assistance to be provided to Cambodia. The capability, infrastructure, and skills of the Department of Industrial Standards of Cambodia were still limited. He agreed that the appropriateness and effectiveness of particular standards and technical regulations should be reviewed on an ongoing basis. Cambodia would need two years for readjustment, because Cambodia lacked experience in applying standards and regulations, and WTO rules related to these matters.

(b) Sanitary and phytosanitary measures

112. The representative of Cambodia said that Cambodia's existing sanitary and phytosanitary measures were applied and regulated on the basis of the Law on the Management of Quality and Safety of Products and Services of 21 June 2000, the Sub-Decree on Sanitary Inspection of Animal

and Animal Products of 29 July 1988, the Sub-Decree on Plant Quarantine of 8 October 1983, and the Sub-Decree on Standards and Management of Agricultural Materials of 28 October 1998. Further work to ensure compliance with the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) involved revision of the 1983 and 1988 Sub-Decrees as well as the preparation of new sub-decrees and regulations related *inter alia* to food hygiene, labelling and safety requirements, detailed in the completed SPS Checklist circulated in document WT/ACC/KHM/9 and the Action Plan for the Implementation of the SPS Agreement, circulated in document WT/ACC/KHM/15, and subsequently revised in document WT/ACC/KHM/15/Rev.1.

113. He added that the Cambodia Import-Export and Fraud Repression Department (CAMCONTROL) at the Ministry of Commerce would serve as Cambodia's SPS Enquiry Point. Assuming that technical assistance would be provided, he expected the enquiry point to become operational in 2003. The basic transparency provisions of the SPS Agreement had been incorporated in a Sub-Decree on Plant Quarantine and Animal Quarantine, stipulating publication of proposed measures at an early stage and a procedure to provide information to WTO Members, thus allowing a reasonable period of time for comment by WTO Members and the public, and a process for taking account of the comments received without discrimination. The Sub-Decree on Plant Quarantine, and the Sub-Decree on Sanitary Inspections of Animal and Animal Products had been adopted by the Council of Ministers on 14 February 2003. The framework for adopting the standards, guidelines and recommendations developed by the relevant international organizations (the Codex Alimentarius Commission, the International Office of Epizootics and international or regional organizations operating within the framework of the International Plant Protection Convention) would be incorporated in the Law on Industrial Standards of Cambodia, planned for promulgation in the first half of 2003.

114. Noting a temporary ban on the importation of meat, meat products and associated dairy products from certain EU countries, a Member was concerned that customs officials in Cambodia appeared to interpret the ban to include other countries, and asked how Cambodia intended to ensure non-discriminatory application of its SPS regime.

115. The representative of Cambodia replied that a temporary ban had been introduced to prevent the spread of diseases potentially harmful to human and animal health in compliance with Article XX(b) of the GATT 1994. The three-month ban had been extended for another three months, and would be extended further as warranted by the circumstances. He suggested that importers affected by any misinterpretation of the measure should file a complaint with the Customs authority.

116. The representative of Cambodia said that achieving full compliance with the requirements of the SPS Agreement was a complex process, and Cambodia was accordingly seeking a transition period during which the requirements would be implemented gradually in accordance with the Action Plan summarized in Table 11. He stressed that Cambodia's pace in implementing the SPS Agreement would depend on the assistance made available by WTO Members and relevant international organizations for Cambodia to develop new regulations in conformity with WTO provisions and ensure their effective implementation, in particular through training.

117. Some Members stated that they considered implementation of the SPS Agreement a key element of Cambodia's accession. Having reviewed Cambodia's Action Plan, these Members were reluctant to grant a five-year transition period without specific guidelines on implementation or sufficient detail to justify these transitional arrangements. It was noted that Cambodia should give priority to the establishment of an enquiry point, any SPS measures taken by Cambodia should be notified to the WTO, and Cambodia should be prepared to consult with WTO Members upon request if measures taken would affect their exports negatively. The need for a two-year period for "readjusting technical regulations, standards, etc." was questioned. Cambodia was encouraged to consider adoption of international standards where such standards would meet Cambodia's needs and, where international standards would not be deemed appropriate, Cambodia should consider drawing upon WTO consistent standard setting work of other governments.

118. In reply, the representative of Cambodia referred to the revised Action Plan for the Implementation of the SPS Agreement which, in his view, contained very specific guidelines and details regarding implementation. Full implementation of the SPS Agreement would be achieved by 2006/2007. Cambodia would draw upon international standards and the work of other governments as appropriate. In this connection, he noted that the National Assembly and Senate had ratified Protocol 8 on Sanitary and Phytosanitary measures of the ASEAN Framework Agreement on the facilitation of goods in transit.

Trade-Related Investment Measures (TRIMs)

119. The representative of Cambodia said that the Law on Investment of 4 August 1994 and Chapter 7 of Government Sub-Decree No. 88 ANKR.BK on the Implementation of the Law on Investment of 29 December 1997 contained certain trade-related provisions, including 100 per cent exemption of import duties on construction materials, means of production, equipment, intermediate goods, raw materials and spare parts for export-oriented investment projects with a minimum of 80 per cent of the production exported, and for projects located in a designated special promotion zone. These measures were, in his view, incentives consistent with the Agreement on Trade-Related

Investment Measures, and would be maintained as long as they would meet Cambodia's development needs.

State trading entities

120. The representative of Cambodia said that eleven State-owned companies engaged in importation and exportation of products such as rice, rubber, fertilizer, fishery products, pharmaceutical products and agricultural equipment. The enterprises operated in full accordance with commercial considerations and private business practices, and no special privileges were granted to them. He was thus of the view that none of Cambodia's State-owned enterprises came within the scope of Article XVII of the GATT 1994, the Understanding on the Interpretation of Article XVII of the General Agreement on Tariffs and Trade 1994, or the informal illustrative list of State-trading enterprises contained in document G/STR/4.

121. Asked to provide more precise information about the trade activities of these enterprises and their relations with the Government, the representative of Cambodia said that the Green Trade Company (GTC), established by sub-Decree No. 78 of 23 November 1998, managed Cambodia's national reserve of rice through purchases and sales made at market prices. Although the Green Trade Company was free to trade in foodstuff and other commodities of its own choice, in practice the GTC has so far only engaged in the rice trade. Other than the initial capitalization of 12 billion Riels, subscribed by the Government of Cambodia in 1998, the GTC had received no funding or financial contributions from public funds. Each year the GTC remitted 1 per cent of its total turnover or 20 per cent of its gross profits, whichever was higher, to the Government as return on the equity. The company's needs for operational liquidity or working capital would be financed by the regular banking system at market rates. If requested, and subject to approval by the Minister of Economy and Finance, his Government could issue guarantees for such loans. The GTC was subject to technical supervision by the Ministry of Commerce, and financial supervision by the Ministry of Economy and Finance. Prior to 26 July 2001, when export licences for rice had been lifted, the Green Trade Company had upon request provided market information and advice to the Ministry of Commerce for the issuance of export licences. Since then, the Green Trade Company had had no further role to play in Cambodia's rice exports as the company engaged solely in distribution and domestic trade in rice.

122. Established through Anukret No. 12 of 18 February 1999, the Agricultural Inputs Company was managed by a board of five directors from the Ministry of Agriculture, Forestry, and Fisheries, Ministry of Economy and Finance, and Ministry of Commerce. The company engaged in importation, purchase and sale of agricultural products (fertilizer, pesticides, seeds and agricultural equipment), warehousing and managing the distribution of donated fertilizers and agricultural inputs,

administered statistical data, and participated in training programmes and research. He stressed that the Agricultural Inputs Company operated on a strictly commercial basis, in competition with the private sector. Imports of agricultural inputs by the Agricultural Inputs Company had been effected through private enterprises. In 2002, the company had called for bids from private-sector importers to supply 15,000 tonnes of fertilizer for delivery in 2003. He added that his Government intended to establish a committee that would draft a plan for full divestment of State ownership in the Agricultural Inputs Company by 2006.

123. Concerning State ownership in the rubber sector, the representative of Cambodia said that seven rubber plantations (Chup, Krek, Memot, Snoul, Chamcar Andoung, Boeng Ket and Peam Chaing) were being transformed into public enterprises under the Ministry of Agriculture, Forestry and Fisheries pursuant to the Law on Public Enterprises through Sub-decrees approved on 15 March 1999. Although the estates remained State-owned, the Sub-decrees conferred full autonomy to the Boards of Directors of the estates in the conduct of day-to-day operations, financial transactions and management issues, and the enterprises received no privileges from the Government. An audit exercise was currently being conducted for each estate to determine whether it should be closed, sold to the private sector, or turned into a joint-venture with majority private ownership. His Government intended to complete the wind-up of State-ownership in the estates by 2006 (Circular by the Council of Ministers No. 2018 of 26 December 2002).

124. The representative of Cambodia confirmed that the operations of the enterprises to be retained as State-owned, including the Green Trade Company, were consistent with the provisions of GATT Article XVII, and that no new privileges in terms of Article XVII would be granted to these or other entities.

Free zones, special economic areas

125. The representative of Cambodia said that there were currently no free zones in Cambodia. His Government was considering the establishment of industrial zones, including export processing zones. Government Sub-Decree No. 73 of 5 October 1995 and Sub-Decree No. 2 of 5 January 1996 foresaw the creation of an industrial zone in Stung Hav-Sihanouk Ville, but the project remained to be implemented. Poipet, Koh Kong, Pailin (on the border with Thailand) and some other areas along the border with Viet Nam were being evaluated as potential sites for further export processing zones. A draft Law on Industrial Zones was in preparation and expected to be presented to Parliament in early 2003.

126. The representative of Cambodia confirmed that any free zones established in the future would comply with the provisions of the WTO Agreements. According to the new Law on Customs, goods

imported through free zones would be subject to normal customs formalities, taxes, and tariffs when entering the rest of Cambodia.

Government procurement

127. The representative of Cambodia said that a new public procurement system had been in operation since 30 July 1995 (Sub-Decree No. 60). Procurement was carried out through either (i) international competitive bidding (ICB); (ii) domestic competitive bidding (DCB); (iii) international shopping (IS); (iv) domestic canvassing (DC); or (v) direct purchase or direct contracting (Dcon). ICB and DCB contracts were advertised publicly and open to all interested bidders, except for projects worth less than 20 million Riels, where the participation of foreign companies was restricted. The DCB procedure was applied to projects below 200 million Riels for civil work and 100 million Riels for goods. The procedure used for procurement above these thresholds was the ICB, whose regulations complied with international standards. The last three methods did not require open public competition, but participation of foreign bidders was not prohibited.

128. The lowest-priced bid was generally chosen under the ICB and DCB procedures, but other factors such as the completeness of the bid, delivery periods, conformity with technical specifications, the bidder's experience and financial standing, and required supporting documents might also be considered. International shopping (IS) required price offers from at least two firms located in different countries. He added that practices could deviate from established procurement procedures, and domestic preference could be granted in cases of emergency purchases, proprietary procurement, small-value items, and acquisition of military equipment and supplies.

129. Some Members noted that Cambodia's procurement policies were relatively open and that Cambodia would benefit from membership in the Agreement on Government Procurement. A Member invited Cambodia to ensure transparency in its Government procurement practices and policies and to consider the work being done in the WTO Working Group on transparency in government procurement.

130. The representative of Cambodia replied that Cambodia did not intend to join the plurilateral Agreement on Government Procurement for the time being. He nevertheless took note of Members' comments.

Core labour standards

131. Referring to Paragraph 4 of the 1996 WTO Singapore Declaration, which obliges all WTO Members to observe internationally recognized core labour standards, a Member noted that although

Cambodia's Labour Law of 1997 was fairly comprehensive in defining and protecting internationally recognized workers' rights, the implementation of core labour standards in Cambodia remained problematic in certain areas such as freedom of association (anti-union discrimination, including harassment and unwarranted dismissals of union leaders) and required overtime, including excessive and improperly paid overtime. This Member urged Cambodia to continue to insure its commitment to implementing core labour standards, and looked forward to continuing consultations with Cambodia on this matter through bilateral and multilateral channels.

132. The representative of Cambodia replied that Cambodia had been strengthening the implementation of its Labor Law and core labour standards, especially concerning labour conditions, freedom of association, and health and safety at the workplace. Cambodia was ready to engage in further bilateral and multilateral consultations on this matter, conscious that labour standards were not, except for prison labour, covered by WTO Agreements.

Trade in Civil Aircraft

133. The representative of Cambodia said that the current rate of duty on civil aircraft and aircraft parts ranged from zero to 15 per cent. Cambodia did not accord tariff exemptions on equipment, parts or technical supplies required for airports in connection with air services.

Transit

134. The representative of Cambodia said that Cambodia had no specific regulation related to trade in transit. Cambodia had signed bilateral agreements on transit trade with the Socialist Republic of Viet Nam on 3 April 1994 and with Lao PDR on 12 May 1994. According to the agreement with Viet Nam, the parties allowed the transit of goods across each other's territory, except for prohibited imports and exports such as narcotics, toxic chemicals, radioactive items, pornographic and other materials contrary to public morals, as well as rare, wild and precious animals and plants.

Agricultural policies

(a) Imports – description of the types of border protection maintained

135. The representative of Cambodia said that Cambodia imposed no licensing requirements nor quantitative restrictions or prohibitions on imported agricultural products. The trade-weighted average tariff on agricultural products was approximately 17 per cent. Phytosanitary certificates were required for the importation of agricultural products.

(b) Exports

136. The representative of Cambodia said that Cambodia did not impose prohibitions or restrictions on exported agricultural products, except for narcotic drugs. A 10 per cent tax was levied on exports of pure bred cattle and swine, as noted in Table 8. Export restrictions on rice had been lifted in July 2001, but Cambodia would reserve its right to restrict exports of rice temporarily to prevent or relieve critical shortages of foodstuffs as foreseen under Article XI:2(a) of the GATT 1994. He confirmed that Cambodia operated no export credit, export credit guarantee or insurance programmes for agricultural products.

(c) Internal policies – i.e. description of, and the budgetary expenditure and any revenue foregone involved in each of the domestic support measures in place

137. The representative of Cambodia said that the majority of Cambodia's population lived in rural areas and their livelihood depended on agriculture, particularly the cultivation of rice. Government policies aimed at improving food output and food security. The Ministry of Agriculture managed a Rice Seed Bank, which provided rice seed to farmers affected by natural disasters. Local offices of the Ministry of Water Resources and Meteorology also distributed diesel fuel free of charge to be used by farmers in the operation of irrigation water pumps in emergency drought situations.

138. He provided information on domestic support and export subsidies in agriculture for the period 1998-2000 in document WT/ACC/SPEC/KHM/3 of 11 December 2001 and its Revision 1 of 29 July 2002 and Addendum 1 to that document (background note). In addition to "green box measures", which included the programmes mentioned above as well as farmers' exemptions from agricultural land tax and income tax (classified as decoupled income support), the representative of Cambodia noted in Supporting Table DS:9 that VAT exemptions on agricultural inputs were generally available to farmers, although estimates of the revenue foregone by the Government were not available due to lack of statistical data. Farmers' exemption from land and income taxes, and turnover tax or VAT on own produce at the first point of sale, was an important element of Cambodia's strategy towards poverty alleviation and rural development. Plantation-type agricultural entities were subjected to VAT.

139. Responding to a specific question on Cambodia's Rice Reserve Policy, the representative of Cambodia added that the objective of the Rice Reserve was to provide emergency food aid to victims of natural disasters. During 1998-2000, 1 billion Riels of government funds had been earmarked each year for purchases from the Rice Reserve, and the allocation had increased to 1.64 billion Riels in 2001 and 3,28 billion Riels in 2002. Purchases to the Rice reserve (and sales) were effected by the Green Trade Company and had the effect of moderating movements in the domestic price of rice.

When emergencies triggered the release of rice reserves, the National Committee for Disaster Management (NCDM) would purchase the rice from the Green Trade Company at cost plus a small mark-up. The NCDM in turn provided the rice to victims of natural disasters free of charge.

140. Some Members noted that Cambodia did not provide export subsidies for agricultural products, and therefore expected Cambodia to bind its agricultural export subsidies at zero in both volume and value terms in its Schedule of Concessions and Commitments on Goods. A Member noted that Cambodia's "agro-industry" would be eligible for subsidies contingent upon export performance, and asked Cambodia to provide a more precise definition of its "agro-industry" and explain how these subsidies would be consistent with the provisions on export subsidies in the Agreement on Agriculture.

141. The representative of Cambodia held the view that Least Developed Countries were not required to undertake any commitments on export subsidies under the Agreement on Agriculture. As for Cambodia's agro-industry, Sub-Decree No. 88 ANK-BK of 29 December 1997 extended investment incentives to the manufacturing and processing of food and related products including beverages, fats and oils, sugar confectionery, meat products, dairy products, preserved fruit and vegetables, grain mill products, bakery products and animal feed. The investment incentives, resulting in revenue foregone by his Government, could be considered export subsidies in accordance with Article 9:1(f) of the Agreement on Agriculture with regard to construction materials, equipment and spare parts, but he expected Cambodia to be granted flexibility in this area, particularly in the light of Article 15:2 of the Agreement on Agriculture. As to the remission of import charges on inputs consumed in the production process, as defined in Annex II of the Agreement on Subsidies and Countervailing Measures, this measure should not be regarded as a subsidy as Cambodia was not yet able to manage a properly functioning duty drawback scheme.

142. While recognizing Cambodia's LDC status and access to flexibilities in the Agreement on Agriculture, some Members considered the elimination of agricultural export subsidies globally to be in Cambodia's interest, and therefore repeated their request for Cambodia to bind export subsidies at zero, thus refraining from using agricultural export subsidies or any other trade-distorting measures. The representative of Cambodia replied that Cambodia would commit to binding export subsidies at zero - except those that would be allowed for developing countries as special and differential treatment - at the same time as the completion of the phasing-out of all forms of export subsidies by all WTO Members.

Textiles Regime

143. The representative of Cambodia said that textiles and clothing were not subject to any special regime in his country. Although import duties on such products were relatively high in Cambodia – on average 34 per cent for garments and 14 per cent on yarn and fabrics – most Cambodian garments manufacturers were registered investment firms producing for export, and thus exempt from paying duty on imported raw materials and intermediate goods. Cambodia had concluded an Agreement Relating to Trade in Cotton, Wool, Man-made Fibre, Non-Cotton Vegetable Fibre and Silk Blend Textile, and Textile Products with the United States. Under the terms of the bilateral agreement, the United States had placed quantitative restrictions on 13 categories of apparel from Cambodia. Exports of certain textile products to Canada were also restrained under a bilateral agreement.

144. [The representative of Cambodia confirmed that the quantitative restrictions on imports maintained by WTO Members on textiles and clothing products originating in Cambodia that were in force on the date prior to the date of accession of Cambodia to the WTO should be notified to the Textiles Monitoring Body (TMB) by the Members maintaining such restrictions and would be applied for the purposes of Article 2 of the Agreement on Textiles and Clothing. Thus, for the purposes of Cambodia's accession to the WTO, the phrase "in force on the day before the entry into force of the WTO Agreement" contained in Article 2.1 of the Agreement on Textiles and Clothing shall be deemed to refer to the day prior to the date of accession of Cambodia to the WTO. To these base levels the increase in growth rates provided for in Article 2.13 and 2.14 of the Agreement on Textiles and Clothing shall be applied, as appropriate, in the Agreement on Textiles and Clothing from the date of Cambodia's accession.]

Trade-Related Intellectual Property Rights (TRIPS)

1. General

(a) Industrial property protection

145. The representative of Cambodia said that his Government considered the protection of intellectual property rights essential for the fostering of economic development, to stimulate foreign investment and the transfer of technology, and to facilitate Cambodia's integration into the world economy. At the outset Cambodia's protection of intellectual property rights had been based on Articles 47 and 48 of the Provisions Relating to the Judiciary and Criminal Law and Procedure Applicable in Cambodia During the Transitional Period, issued on 10 September 1992, and Declaration No. 368 of the Ministry of Commerce on Procedures of the Intellectual Property Department of 15 December 1997.

146. He added that his Government had been drafting new legislation with the help of foreign experts and WIPO to bring Cambodia's legislation into line with the TRIPS Agreement, including a Law on Marks, Trade Name, and Acts of Unfair Competition, promulgated on 7 February 2002; a Law on Patents, Utility Models and Industrial Designs; and a Law on Copyright and Related Rights. Further laws on Geographical Indications, Layout Design of Integrated Circuits, Protection of Undisclosed Information and Trade Secret, and Plant Variety Protection were in preparation and expected to be promulgated in 2004. Cambodia was also working on a new Civil Code, scheduled for adoption in 2004, which would backstop the protection of intellectual property. He confirmed that the new Civil Code would not duplicate provisions of specific intellectual property laws.

147. The representative of Cambodia provided detailed information on the implementation of the TRIPS Agreement in document WT/ACC/KHM/7 and its Revisions 1 and 2. He also submitted an Action Plan in document WT/ACC/KHM/16, and a revised Action Plan in document WT/ACC/KHM/16/Rev.1, stressing that the provision of technical assistance would be essential in underpinning the timetable for Cambodia's compliance with the requirements of the TRIPS Agreement.

(b) Responsible agencies for policy formulation and implementation

148. The representative of Cambodia said that the Department of Intellectual Property of the Ministry of Commerce was responsible for the formulation and implementation of policy regarding trademarks. The Ministry of Industry, Mines, and Energy was in charge of patents and industrial designs, the Ministry of Culture and Fine Arts of copyrights, and the Ministry of Information of audio-visual materials.

149. Asked whether Cambodia intended to rationalize its administrative arrangements by establishing a single agency in charge of the administration of rights subject to grant and registration such as patents, trademarks and industrial designs, the representative of Cambodia replied that implementation of the TRIPS Agreement would require extensive technical assistance from WIPO as well as WTO Members.

(c) Participation in international intellectual property agreements

150. The representative of Cambodia said that Cambodia had been a member of the World Intellectual Property Organisation (WIPO) since 1995 and the Paris Convention for the Protection of Industrial Property Rights since 1998. Cambodia intended to join the Berne Convention after adoption of the Law on Copyright and Related Rights, and the Patent Cooperation Treaty upon enactment of the Law on Patents, Utility Models and Industrial Designs. His Government was also

considering membership in the International Convention for the Protection of New Varieties of Plants, and a new law was being drafted to this end with the assistance of WIPO. Ratification of the Geneva Phonogram Convention and the Brussels Satellite Convention would depend upon the enactment of the Law on Copyright and Related Rights and other relevant legislation currently in preparation.

151. Cambodia had been participating in the ASEAN Framework Agreement on Intellectual Property Cooperation since 30 April 1999. Cambodia had also concluded bilateral agreements on intellectual property protection and cooperation with the United States and Thailand.

(d) Application of national and MFN treatment to foreign nationals

152. The representative of Cambodia said that national and MFN treatment was granted to all foreign nationals under existing intellectual property legislation, and all draft legislation continued to integrate the same principles.

(e) Fees and taxes

153. The representative of Cambodia said that trademarks processing fees amounted to US\$50 per certificate for registration, US\$50 per class for publication, and US\$5 per class for services. These fees were subject to revision by the Ministry of Commerce. Fees and taxes concerning patents and copyright remained to be determined.

2. Substantive standards of protection, including procedures for the acquisition and maintenance of intellectual property rights

(a) Copyright protection

154. The representative of Cambodia said that a new Law on Copyright and Related Rights had been adopted by the Council of Ministers in March 2002, ratified by the National Assembly and the Senate on 21 January 2003, and was expected to be promulgated by March 2003. In the interim, copyright protection was regulated by Article 48 of the 10 September 1992 Provisions Relating to the Judiciary and Criminal Law and Procedures Applicable in Cambodia During the Transitional Period.

155. The draft Law provided copyright protection for literary works; artistic and scientific documents; official legislative, judicial and administrative texts; spoken works (conferences, speeches, sermons, etc.); dramatic and dramatic-musical works; choreographic works and pantomimes; musical compositions with or without words; audiovisual works with or without sound and photographs extracted from these works; drawing, painting, architectural, sculptural, engraving and lithography works; graphic and typographic works; photographic works and works produced

with techniques similar to photography; work of applied arts; illustrations, cards, plans, sketches and plastic works pertaining to geography, topography, architecture and sciences; computer programmes; and derived works, such as translation, adaptation, transformation of one or several pre-existing works.

156. Protection was provided for the lifetime of the author and 50 years after his/her death. The rights subsisted for 50 years, starting on 1 January of the calendar year following the date of fixation, first disclosure of the performance, or first broadcast. In response to a specific question, the representative of Cambodia added that the Law included enforcement provisions providing for destruction of infringing goods (Articles 58-66).

157. He also added that the Law on Copyright and Related Rights provided for the protection of compilations of data (Articles 7 and 21), computer programs as literary works, rental rights for computer programmes, and the exclusive rights of a broadcaster to authorize rebroadcasts by wireless means (Articles 47 and 48).

(b) Trademarks, including service marks

158. The representative of Cambodia said that the new Law on Marks, Trade Name and Acts of Unfair Competition had been promulgated on 7 February 2002. A Sub-Decree to ensure the implementation of the Law was expected to be adopted in December 2002. Under the Law, applications for registration of a mark were to be submitted to the Intellectual Property Division at the Ministry of Commerce. Actual use of a mark was not a condition for filing an application. Priority was given to the person who first validly filed the mark or claimed the earliest priority to the mark. Priority rights to a mark already filed in another member of the Paris Convention or the WTO could be conferred, on the basis of the first filing date, to the same applicant or his successor, provided that the filing in the Kingdom of Cambodia was made within 6 months following the first filing. A trademark was protected for 10 years and could be renewed indefinitely for successive periods of ten years. Failure to use a registered mark for more than 5 years without valid reasons could lead to nullification of the protection. Trademark rights could be transferred or licenced and the right holder had the exclusive right to request the competent authority to handle infringement cases. The use of a trademark by a licence holder (but not the mere licensing of the right) was considered as an act of use.

159. Protection could be granted to a mark without distinctive characteristics, provided that such mark had been widely used and enjoyed a good reputation in Cambodia. He confirmed that well-known marks were protected in accordance with Article 6bis of the Paris Convention and Article 16 of the TRIPS Agreement. The Law on Marks, Trade Name and Acts of Unfair Competition also

included provisions concerning unfair competition, including indications or allegations likely to mislead the public. No specific law on unfair competition was envisaged for the time being.

(c) Geographical indications, including appellations of origin

160. The representative of Cambodia said that Cambodia did not protect geographical indications at present. He expected a new law covering this subject, including additional protection for geographical indications for wines and spirits, to be promulgated in 2004. However, this timeframe depended on the delivery of technical assistance, and no assistance had been provided so far.

(d) Industrial designs

161. The representative of Cambodia said that industrial designs were protected according to the Law on Patents, Utility Models and Industrial Designs, promulgated on 22 January 2003. Only new industrial designs, i.e. designs not disclosed to the public through publication or use prior to the priority date, could be registered under the new Law. Protection did not extend to parts of a design dictated essentially by technical considerations. Industrial designs contrary to public order or morality could not be registered. Applications for registration were to be submitted to the Ministry of Industry, Mines, and Energy, and the priority date was the date of filing or first claim. Applications had to be published to afford an opportunity to oppose the registration. Protection was provided for 5 years and could be renewed twice. Industrial designs could be transferred or licenced. The owner had the exclusive right to request the competent authority to take action against infringements and could claim compensation.

162. A Member invited Cambodia to specify how Cambodia's legislation complied with the provisions of Article 26.1 of the TRIPS Agreement concerning the right of an industrial design holder to prevent the importation of articles bearing or embodying a protected design. The representative of Cambodia replied that Cambodia's legislation guaranteed the right for the holder to prohibit third persons from "exploiting" a registered industrial design, i.e. by making, selling, or importing articles incorporating the industrial design (section 42.1 of the draft Law).

(e) Patents

163. The representative of Cambodia said that the Law on Patents, Utility Models and Industrial Designs had been promulgated on 22 January 2003. Drafting of implementing regulations under this Law would commence in the first quarter of 2003. The Law afforded patent protection to inventions which involved an inventive step and were industrially applicable. Patents could not be issued for discoveries, scientific theories and mathematical methods; schemes, rules and methods for doing

business, performing intellectual activities, or playing games, and computer programs; diagnostic, therapeutic and surgical methods for the treatment of human beings and animals; inventions contrary to public order or morality; and biological methods for breeding plants and animals, other than microbiological methods, as well as products derived from these methods. In response to a specific question concerning the exclusions, he added that the algorithms used in computer programmes, not the programmes *per se*, were ineligible for patent protection, and that "schemes or methods for doing business" were only ineligible for patent protection to the extent that they lacked practical application. These distinctions would be clarified in the implementing regulations to the Law.

164. Applications for registration were submitted to the Ministry of Industry, Mines, and Energy, and priority was given to the person having first filed an application or claimed priority to the patent. Patent applications were subject to mandatory examination as to form and substance. Patents were granted upon expiration of an 18 month period starting on the priority date and protection was provided for 20 years from the filing date. The patent holder had the exclusive right to transfer or licence a patent and to request third persons to stop infringement, and could claim compensation. Provisions on compulsory licensing, contained in Articles 47-62 of the Law on Patent, Utility Models and Industrial Designs, could be applied following three years of non-use of a patent, or if a patented product had not been offered for sale in sufficient quantity to supply the Cambodian market without valid reason, but only for use predominantly for the supply of the domestic market.

(f) Plant variety protection

165. The representative of Cambodia said that plant varieties had been excluded from the Law on Patent, Utility Models and Industrial Designs. Thus, Cambodia did not provide plant variety protection at present, but a Law on Plant Variety Protection was in preparation with the assistance of UPOV. Promulgation of the Law was at present foreseen in 2005.

(g) Layout designs of integrated circuits

166. A Member noted that Cambodia's patent utility law did not appear to contain any provisions for the protection of layout-designs as required by Article 35 of the TRIPS Agreement, and sought confirmation that these provisions were or would be provided for in a separate law.

167. The representative of Cambodia said that the subject-matter would be protected through a new Law on Layout Designs of Integrated Circuits. However, progress in promulgating the Law - planned for late 2004 - was linked to the availability of technical assistance.

(h) Requirements on undisclosed information, including trade secrets and test data

168. The representative of Cambodia said that Article 128 of the Law on Patent, Utility Models and Industrial Designs provided protection for undisclosed data. In addition, Cambodia would prepare and adopt a separate Law on the Protection of Undisclosed Information and Trade Secrets. The Law was planned for adoption by the National Assembly in 2004 and promulgation in 2005.

3. Measures to control abuse of intellectual property rights

169. The representative of Cambodia said that current measures to control abuse of intellectual property rights were based on the Provisions Relating to the Judiciary and Criminal Law and Procedure Applicable in Cambodia During the Transitional Period of 10 September 1992, and Declaration No. 368 of 15 December 1997 concerning measures to control abuse of intellectual property rights in Cambodia. In addition, new laws such as the Law on Marks, Trade Name and Acts of Unfair Competition, the Law on Copyright and Related Rights and the Law on Patents, Utility Models and Industrial Designs contained provisions concerning the non-performance of obligations, such as failure to pay maintenance fees, or failure to use registered trademarks or patents for the period determined by the law, which could result in nullification of the protection or the granting of a licence to a third person or administrative body with a view to supplying the domestic market.

4. Enforcement

(a) General obligations

170. The representative of Cambodia said that Cambodia's draft laws on intellectual property would comply fully with the provisions of Article 41 of the TRIPS Agreement concerning the availability of enforcement procedures under domestic legislation, the existence of fair and equitable procedures, and the opportunity for parties to proceedings to obtain the review of final administrative decisions and initial judicial decisions by a judicial authority.

(b) Civil judicial procedures and remedies

171. The representative of Cambodia said that provisions on civil judicial procedures and remedies had been included in the draft Civil Code, Civil Procedure Code and specific intellectual property laws currently in preparation. Implementing regulations for these laws and codes were under consideration, and Cambodia was seeking technical assistance from WIPO and WTO Members to ensure consistency with TRIPS provisions. The Civil Procedure Code would include procedures concerning civil judgement, execution and provisional measures, and intellectual property legislation would cover provisions for remedies and provisional measures. Enforcement authorities would

comprise Courts, Customs, as well as CAMCONTROL, an organisation under the authority of the Ministry of Commerce, and the Economic Police, both in charge of fraud repression and inspections of exported and imported goods. Under the new regulations, courts - including municipal and provincial courts – would have the authority to handle cases of abuse of intellectual property rights, disputes over royalties and remuneration, violation of authors and application rights, and disputes related to the transfer and licensing of rights. The injured party could seek court injunctions to stop infringement and claim compensation for damages. The amount of damages would be calculated on a case-by-case basis. Addressing a query by a Member regarding the factors used by the Courts to determine the damages in the absence of specific legislation on this issue, the representative of Cambodia said that the calculation was based on the value of the benefits lost because of the infringement and on the duration of the infringement act. He added that this matter was currently being discussed among judges and relevant authorities. The Civil Code and the Civil Procedure Code would provide the legal authority, though no detailed provisions, for the award of damages and other remedial measures. He nevertheless believed that Cambodia's current IPR legislation and its future laws were, and would remain, in full compliance with the requirements of Article 48 of the TRIPS Agreement with respect to the indemnification of the defendant.

172. Courts had the authority to order that documents be produced (Article 152 of the draft Civil Procedure Code), and failure to do so would lead the Court to consider the other party's allegations to be true (Article 153), and to impose a fine on the impeding party (Article 154). Confidential information was protected under Article 42 of the Trademarks Law and Article 128 of the draft Patents Law. A general provision referring to specific legislation was included in Article 115.1 of the draft Civil Procedure Code.

173. In response to a specific question, the representative of Cambodia said that draft legislation had not provided judicial and administrative officials the authority to order infringers to provide right holders with information on third parties involved in the production and distribution of infringing goods, as mentioned in Article 47 of the TRIPS Agreement, but investigative judges could request infringers to submit such information to the Court in the case of criminal procedures, and the issue was addressed in Article 42 (second paragraph) of the Law on Marks, Trade Name and Acts of Unfair Competition. He confirmed that decisions on the merits in Court proceedings were provided in writing and made available to the public through publication in newspapers, and added that his Government was also considering the publication of Court decisions in the Official Gazette of the Ministry of Commerce.

(c) Provisional measures

174. The representative of Cambodia said that courts and authorities responsible for administrative enforcement of intellectual property legislation had the authority to order prompt and effective provisional measures based on *prima facie* evidence to prevent an infringement and preserve relevant evidence. Pursuant to Article 30a of the Law on Marks, Trade Name and Unfair Competition, there was *prima facie* evidence when there were reasonable grounds to believe that an infringement was taking place. Applicable provisional measures included detention of material evidence and facilities, search for concealed materials and facilities, order to stop an infringement, confiscation of the infringing goods, and temporary seizure of the goods with a view to ensuring proper compensation.

(d) Administrative procedures and remedies

175. The representative of Cambodia said that under the new regulations the authorities competent to apply administrative measures and remedies were the Market Control sections of the Ministry of Commerce, Ministry of Industry, Mines, and Energy, and Ministry of Culture and Fine Arts; Customs offices; and the Economic Police. Administrative measures and remedies included warning, monetary fines up to 20 million Riels (about US\$6,000), seizure of material evidence and facilities, destruction of infringing goods, and compensation for damages. Pursuant to the Law on Marks, Trade Name and Acts of Unfair Competition and the draft Law on Copyrights and Related Rights, competent authorities had the power to issue injunctions to order a party to stop an infringement and to suspend clearance of goods, as stipulated in Article 44.1 of the TRIPS Agreement, but did not have the authority to order infringers to provide right holders with information on third parties involved in the production and distribution of infringing goods. They could however acquire such information themselves. The Law on Marks, Trade Name and Acts of Unfair Competition (Article 46) and the Law on Copyright and Related Rights (Article 59) prohibited the re-exportation of counterfeit or pirated goods and conferred customs and other competent authorities the power to destroy infringing goods upon a court decision.

(e) Special border measures

176. The representative of Cambodia said that the draft Law on Customs did not include provisions on border measures as required by Article 51-60 of the TRIPS Agreement. The necessary border measures had been incorporated in the Law on Marks, Trade Names and Acts of Unfair Competition (Articles 35-47). In addition, the Law on Copyrights and Related Rights (Article 63) included, by reference, all border measures included in the Law on Marks, Trade Names and Acts of Unfair Competition.

177. Cambodia's legislation provided for seizure, forfeiture and destruction of infringing goods, evidences, copies and equipment used in the creation of infringing goods, and prohibited the re-exportation of counterfeit trademark goods or use of different customs procedures. Under the new regulations, customs authorities were allowed to inform right holders about the possible importation or exportation of infringing goods. The right holder could apply to the customs authorities to suspend clearance of the suspected goods. The application should include a detailed description of the goods. The customs authorities were obliged to inform the right holder of the measures taken, and should cancel the measures if no proceedings had been initiated within 10 days. The right holder was liable for any damages resulting from an unsubstantiated application. In case of *prima facie* evidence, customs authorities could suspend clearance of suspected goods on their own initiative, and should immediately inform the right holder of the place and date of suspension.

(f) Criminal procedures

178. The representative of Cambodia said that infringement of intellectual property was liable to criminal prosecution pursuant to the Law on Marks, Trade Names and Acts of Unfair Competition (Article 49), the Law on Patent, Utility Models and Industrial Designs (Article 68), and the [draft] Law on Copyright and Related Rights (Article 37). Criminal infringement cases were punishable with fines of up to 20 million Riels (about US\$6,000) and/or prison sentences ranging from 1 to 36 months. The maximum penalties were doubled for second offences committed within 5 years from the date of the first conviction. Implementing regulations to the laws would specify the circumstances under which these criminal penalties would be imposed. In case of sale, distribution and importation of counterfeit pharmaceuticals, provisions in the Law on the Management of Pharmaceuticals could also be applied to impose criminal penalties and protect the rights of the right-holders.

179. The representative of Cambodia confirmed that implementation of the TRIPS Agreement by Cambodia would proceed in accordance with the revised Action Plan circulated in document WT/ACC/KHM/16/Rev.1, and summarized in Table 12. Urged by a Member to accelerate work on the of the new Civil Procedure Code, which underpinned the enforcement of other laws, the representative of Cambodia said that the draft Civil Procedure Code had been completed and would be submitted to the Council Of Ministers in the near future.

180. Having reviewed Cambodia's Action Plan for compliance with the requirements of the TRIPS Agreement, a Member sought a realistic plan laying out the measures that Cambodia would take over time to bring its regime into compliance with specific provisions of the TRIPS Agreement as soon as possible. The plan would constitute an understanding between Cambodia and the Working Party on how Cambodia would use the transition period, and form a blueprint for the technical assistance

making compliance possible within the timeframe contemplated. Cambodia should also provide specific assurances on its application of measures covered by the TRIPS Agreement during any transition period approved by the Working Party. TRIPS-consistent measures already in place should not be subject to transitions, and Articles 3, 4 and 5 of the TRIPS Agreement, providing for *inter alia* national treatment and MFN treatment, should apply from the date of accession. Moreover, Cambodia should not allow production of goods or works inconsistent with the substantive provisions of the TRIPS Agreement during the transition period.

Policies affecting trade in services

181. The representative of Cambodia said that the services industry, which was dominated by private sector, had accounted for approximately 40 per cent of Cambodia's GDP in 1999, having grown about 6 per cent per year between 1995 and 1999. The legal framework was still under development, and a number of services sectors remained to be regulated. Information based on the services sectoral classification list was provided in document WT/ACC/KHM/2, Annex 7A.

182. He added that Cambodia's legislation generally complied with the provisions of Article XVI of the General Agreement on Trade in Services (GATS) concerning market access and national treatment. However, exceptions existed with regard to (i) ownership of newspapers, where foreign ownership was limited to 20 per cent of the total number of newspapers in the Cambodian language; (ii) activities of companies owned by foreigners, which could not own land; (iii) medical and architectural services; (iv) the number of foreign nationals to be employed in a particular establishment or services sector, which was limited to 10 per cent of the workforce and only available to residents of Cambodia. The Ministry of Labour could authorize a higher percentage of foreign employment where specific skills were not available in the domestic market; and (v) legal services, where national treatment was applied only on the basis of reciprocity. Pursuant to the Cambodian Law on Bar adopted on 15 June 1995, foreign lawyers could not represent clients, conduct activities to attract clients, or publish commercial advertisements. They were, however, permitted to work in partnership with Cambodian lawyers.

183. In 1989, Cambodia had replaced a mono-type banking system by a two-tier system comprising the central bank and commercial banks. Foreign banks had been authorised in Cambodia since 1991. As of 30 September 2002, the banking sector in Cambodia included 13 commercial banks, one of which was a State-owned bank, 9 privately-owned banks, and 3 foreign-owned banks (two of which were subsidiaries). The Law on Banking and Financial Institutions and subsequent regulations guaranteed foreign banks rights and obligations equal to local banks and there was no

restriction regarding foreign ownership of banks. A list of laws and regulations concerning the banking sector was provided in document WT/ACC/KHM/2, Annex 2, section 5.

184. The insurance sector was regulated by the Law on the Establishment of Insurance Industry of 8 February 1992, the Sub-Decree on the Creation of the State-Owned Insurance Company of 20 September 1990, the Sub-Decree on the Control of Insurance Activity of 9 June 1992, and the Notice of the Government of 22 September 1992. His Government was developing a new Insurance Law to create a general framework for insurance contracts, regulate the establishment of insurance companies, and fix minimum capital requirements and solvency margins. Regulations granted exclusive rights to the state-owned Cambodia National Insurance Company (CAMINCO), but his Government was pursuing a policy of gradual liberalisation. Private insurance companies had been authorized to operate in co-operation with and under the supervision of CAMINCO. Other government monopolies existed in the supply of postal services, advertising (to expire in 2003), railway transport, electricity distribution, and water supply. Preferential credits were being provided to Electricité du Cambodge and to water supply services. Exclusive suppliers were present in the wholesale distribution sector. The representative of Cambodia said that Cambodia's authorities was acting in accordance with Article VIII of the GATS to ensure that monopolies and exclusive service suppliers would not abuse their monopoly position outside the scope of their monopoly rights.

185. In the telecommunication sector, the Ministry of Posts and Telecommunications of the Kingdom of Cambodia (MPTC) was responsible for operating telecommunication services and facilities, and issuing licences. During 1990s, the market had been opened progressively to foreign investors in the form of joint ventures delivering international telecommunications and Internet, radio, and mobile cellular services. According to a new law in preparation, Cambodia envisaged to establish an independent regulatory body providing for more transparency in the delivery of licences. The new law was expected to enter into force by 2005.

186. Concerning the establishment of enquiry points foreseen in Article III:4 of the GATS, the representative of Cambodia noted that developing countries might be granted flexibility as to the time-limit within which such enquiry points were to be established. He added that technical assistance was being sought and that domestic companies could currently obtain information on trade in services through the Council for Development, the Chamber of Commerce and the Department of Domestic Trade at the Ministry of Commerce.

[Cambodia's offer of initial commitments on trade in services was circulated in document WT/ACC/SPEC/KHM/2 of 11 December 2001. Revised offers have been circulated in documents WT/ACC/SPEC/KHM/2/Rev.1 of 26 July 2002 and WT/ACC/SPEC/KHM/2/Rev.2 of 3 March 2003.]

Transparency

Publication of information on trade

187. The representative of Cambodia said that Article 93 of Cambodia's Constitution required laws to be published in the Official Gazette and brought to the knowledge and attention of the population before entering into force.

Notifications

188. [The representative of Cambodia said that at the latest upon entry into force of the Protocol of Accession, Cambodia would submit all initial notifications required by any Agreement constituting part of the WTO Agreement. Any regulations subsequently enacted by Cambodia which gave effect to the laws enacted to implement any Agreement constituting part of the WTO Agreement would also conform to the requirements of that Agreement.]

Trade agreements

189. The representative of Cambodia said that the signing of the Paris Peace Agreement in 1991 and the 1993 elections had allowed Cambodia to rejoin the international community and participate in multilateral and regional institutions. Thus, Cambodia was now a member of institutions such as the International Bank for Reconstruction and Development; the International Monetary Fund; the Asian Development Bank; the International Development Association; the Multilateral Insurance Guarantee Agency; the United Nations Development Programme; the United Nation Conference on Trade and Development; the Food and Agriculture Organization; the International Fund for Agricultural Development; the International Civil Aviation Organization; the World Intellectual Property Organization; the International Standards Organization; the World Health Organization; the International Maritime Organization; the International Telecommunications Union; the United Nations Educational, Scientific and Cultural Organization; the World Tourism Organization; the Economic and Social Commission for Asia and the Pacific; and the Paris Convention for the Protection of Industrial Property Rights.

190. Since 1993, Cambodia had concluded 24 agreements and memoranda of understanding relating to economic cooperation, foreign trade, promotion and protection of investment and intellectual property rights protection with 13 countries, including China, Indonesia, Malaysia, the Lao PDR, Viet Nam, Thailand, the Russian Federation, the United States, the Philippines and the European Union. The bilateral trade agreements did not include preferential arrangements, but contained provisions granting MFN treatment on a general or specific basis (details are provided in

document WT/ACC/KHM/2, pages 91-93). In addition, Cambodia had concluded non-trade bilateral agreements for the promotion and protection of investment with China, the Republic of Korea, Singapore, the Swiss Confederation, and Thailand; a Memorandum of Mutual Cooperation on Intellectual Property with Thailand; an Investment Incentives Agreement with the United States; an Agreement on Cultural and Scientific Cooperation with the Russian Federation; an Agreement on Economic, Scientific and Technical Cooperation with Malaysia; as well as transit agreements with Lao PDR and Viet Nam.

191. Cambodia had joined the Association of South-East Asian Nations on 30 April 1999, which implied automatic accession to the ASEAN Free Trade Area (AFTA). Together with the other members of ASEAN, Cambodia had accepted the Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area (CEPT), whereby the tariffs applicable to ASEAN products would be reduced to 0-5 per cent over a ten year period starting on 1 January 2000. Cambodia's Inclusion List (IL), Temporary Exclusion List (TEL), Sensitive List (SL) and General Exception List (GEL) had been endorsed by the 13th AFTA Council and the 31st ASEAN Economic Ministers Meeting in October 1999. At the third ASEAN Informal Summit in November 1999, Cambodia had agreed to eliminate tariffs on essentially all ASEAN products by 2015. In addition to tariffs, the ASEAN framework also covered areas such as customs, industrial cooperation, intellectual property cooperation, services, economic cooperation, promotion and protection of investment, energy cooperation, facilitation of goods in transit, mutual recognition, etc.

192. The representative of Cambodia confirmed that the ASEAN Free Trade Area was the only free trade area to which Cambodia was a member, and that Cambodia did not grant trade preferences to any trading partner outside the ASEAN framework. Asked to provide the texts the FTAs, the representative of Cambodia said that the Agreements related to AFTA would be submitted to the Working Party if members were unfamiliar with them. Statistical data on Cambodia's preferential trade was not yet available.

Conclusions

193. The Working Party took note of the explanations and statements of Cambodia concerning its foreign trade regime, as reflected in this Report. The Working Party took note of the commitments given by Cambodia in relation to certain specific matters which are reproduced in paragraphs [.....and] of this Report. The Working Party took note that these commitments had been incorporated in paragraph 2 of the Protocol of Accession of Cambodia to the WTO.

194. Having carried out the examination of the foreign trade regime of Cambodia and in the light of the explanations, commitments and concessions made by the representative of Cambodia, the Working Party reached the conclusion that Cambodia be invited to accede to the Marrakesh Agreement Establishing the WTO under the provisions of Article XII. For this purpose, the Working Party has prepared the draft Decision and Protocol of Accession reproduced in the Appendix to this Report, and takes note of Cambodia's Schedule of Concessions and Commitments on Goods (document WT/ACC/KHM/.../Add.1) and its Schedule of Specific Commitments on Services (document WT/ACC/KHM/.../Add.2) that are annexed to the draft Protocol. It is proposed that these texts be adopted by the General Council when it adopts the Report. When the Decision is adopted, the Protocol of Accession would be open for acceptance by Cambodia which would become a Member thirty days after it accepts the said Protocol. The Working Party agreed, therefore, that it had completed its work concerning the negotiations for the accession of Cambodia to the Marrakesh Agreement Establishing the WTO.

ANNEX I

Laws, Regulations and Other Information Provided to the Working Party by Cambodia

1. Financial Blueprint of the Royal Government of Cambodia (2001-2010);
2. "Law on Taxation" of 8 January 1997;
3. Preah Reach Kram on the "Law on Foreign Exchange", No. CS/RKM/0897/03 of 22 August 1997;
4. Preah Reach Kram (Royal Decree) on the "Law on the Organisation and Functioning of the National Bank of Cambodia", No. 0196/27 of 26 January 1996;
5. National Bank of Cambodia Prakas on the "Accounting Process for Foreign Currency Transactions", No. NBC/B700/50 of 17 February 2000;
6. Draft Law on Negotiable Instruments and Payment Transactions dated September 2002;
7. "Law on the Investment of the Kingdom of Cambodia" of 4 August 1994;
8. Draft Amendment of the Law on Investment dated 29 March 2002;
9. Kingdom of Cambodia Anu-Kret on the "Implementation of the Law on Investment of the Kingdom of Cambodia", No. 88/ANK/BK of 29 December 1997;
10. Anu-Kret (Sub-Decree) on the "Organization and Functioning of the Council for Development of Cambodia (CDC) of 26 June 1995;
11. Kingdom of Cambodia Anu-Kret on the "Amendment of Anu-Kret No. 51/ANK/BK on the Organization and Functioning of the Council for the Development of Cambodia", No. 048/ANK/BK of 21 May 1999;
12. Council for the Development of Cambodia (CDC), Cambodian Investment Board (CIB) and Department of Investment Procedures and Law "Document Required to Apply for the Cancellation of an Investment Enterprise from the CIB Investment List", "Document Required for an Investment Enterprise Application for Shares Transfer and Deposit of a New Memorandum and Articles of Association", "Document Required to Apply for Name Change of an Investment Enterprise", "Document Required to Apply for Location Change of the Investment Enterprise" of 21 August 1998;
13. Kingdom of Cambodia Council for the Development of Cambodia Sechdkey Chun Damneng (Notice) on the "Obligations to Provide Information Regarding the Import and Export Activities of Investment Enterprises", No. 1538/99 CDC of 1 July 1999;
14. Kingdom of Cambodia Anu-Kret on "Measures Restricting Certain Investment Sectors", No. 80/ANK/BK of 27 August 1999;
15. Kingdom of Cambodia Council for the Development of Cambodia "Notification on Requirement to all Foreign Entities Accompany with Evidence of Innocence for Filling Application Form", No. 2736/99 CDC of 19 November 1999;

16. Kingdom of Cambodia Sarachor Nernoam (Instructing Circular) of the Council for the Development of Cambodia on the "Management and Usage of CDC/CIB Investment Incentives by Investment Enterprises", No. 165/00 CDC of 20 January 2000;
17. Draft Insolvency Law;
18. Revised Draft Insolvency Law dated July 2002;
19. Kingdom of Cambodia Sechdkey Chun Damneng (Notice) of the Council for the Development of Cambodia on the "Payment of Tax Debt Owed by Investment Enterprises in the Kingdom of Cambodia", No. 538/00 CDC of 22 February 2000;
20. Kingdom of Cambodia Sarachor Nernoam (Circular) of the Council for the Development of Cambodia on "Procedures for Non-Performing Investment Enterprises", No. 748/00 CDC of 15 March 2000;
21. Kingdom of Cambodia Schdey Chun Damneng (Notification) of the Council for the Development of Cambodia on "Investment Enterprises", No. 822/00 CDC of 23 March 2000;
22. Land Law (Unofficial English Translation);
23. Draft Law of Personal Property Leasing;
24. Explanatory Notes to the Law of Commercial Contracts of April 2001.
25. "Law on the Chambers of Commerce" of 16 May 1995;
26. National Bank of Cambodia Prakas on the "Management of Gemstone and Valuable Metal Businesses", No. NBC/999/100 of 10 September 1999;
27. Kingdom of Cambodia Anu-Kret on the "Creation of a National Permanent Commission for Coordinating the Privatization and the Promotion of Rubber Plantations", No. 52/ANK/BK of 6 September 1994;
28. Kingdom of Cambodia Anu-Kret on "Build-Operate-Transfer (BOT) Contract", No. 11/ANK/BK of 13 February 1998;
29. Draft Civil Code;
30. Draft Civil Code dated 3 September 2002;
31. Draft Code of Civil Procedure of Cambodia;
32. "Law on the Bar" of 15 June 1995;
33. "Law on Criminal Procedure" of 28 January 1993;
34. Decision on the "Provisions Relating to the Judiciary and Criminal Law and Procedure Applicable in Cambodia During the Transitional Period" of 10 September 1992;
35. "Law Bearing Upon Commercial Regulations and the Commercial Register" of 3 May 1995;
36. Kingdom of Cambodia Preah Reach Kram "Law on the Amendments of Articles 10, 11, 14, 16, 17, 21, 22, 25, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 40, 42 and 44 of Chapter 2,

- Articles 54, 57 and 58 of Chapter 4 and Articles 59 and 60 of Chapter 5 of the Law on the Commercial Rules and Commerce Register", No. NS/RKM/1199/12 of 18 November 1999;
37. Ministry of Commerce Prakas on "Trading Activities of Commercial Companies", No. 017/PRK/MoC of 25 January 2000;
 38. Draft Law on Customs dated 15 August 2002;
 39. Cambodia's Customs Tariff 2001;
 40. Kingdom of Cambodia Prakas of the Council for Development of Cambodia on the "Provision of Customs Duty Exemption Incentives for Support Industries in Subsequent Years and Authorization for Shares Transfer", No. 2895/99/CDC of 9 December 1999;
 41. "Law on the Management of Pharmaceuticals" of 9 May 1996;
 42. Prakas on the "Implementation of the Pre-Shipment Inspection Service" of 31 August 2000.
 43. Ministry of Commerce Prakas (Declaration) on the "Issuance of the Certificate of Origin, Commercial Invoice and Export Licence for Garments", No. 1437/MOC/PRK of 21 June 1999;
 44. Ministry of Commerce Prakas "Amending and Supplementing the Issuance of Certificates of Origin, Commercial Invoices and Export Licenses for Exported Garments", No. 3414/MOC of 29 October 1999;
 45. Preah Reach Kram on the "Law on the Management of Quality and Safety Products and Services", No. NS/RKM/0600/001 of 2 June 2000;
 46. Kingdom of Cambodia Anu-Kret on "Standards and Management of Agricultural Materials", No. 69/ANK/BK of 28 October 1998;
 47. Draft Sub-Decree on Plant Quarantine;
 48. Draft Sub-decree on Sanitary Inspection of Animal and Animal Products dated 11 June 2002;
 49. Kingdom of Cambodia Anu-Kret on "Forest Management Concessions", No. 05/ANK/BK of 7 February 2000;
 50. Law on Forestry dated August 2002;
 51. Kingdom of Cambodia Sechdey Samrech on the "Establishment of Joint Inter-Ministerial Committee for the Prevention of Illegal Fisheries Infractions on Cambodian Territorial Seas", No. 18/SSR/RGC of 3 April 2000;
 52. Draft Law on Fisheries;
 53. Draft Water Supply Law;
 54. Draft Water Supply and Sanitation Regulatory Law;
 55. Draft Law on Water Resources Management;
 56. Draft Law on Copyright and Related Rights;

57. Revised Draft Law on Copyright and Related Rights dated May 2002;
58. Draft Patent Utility Law;
59. Draft Law on the Protection of Patents, Utility Model Certificates and Industrial Designs dated 12 October 2001;
60. Decision on the Establishment of the Inquiry Points for (1) Services, (2) SPS, (3) TBT, and (4) Legal compliance with WTO agreements dated 26 July 2002;
61. Law on Corporate Accounts, Their Audit and The Accounting Profession;
62. National Bank of Cambodia Prakas on "Banking License Incorporated Under Domestic Law", No. Thor.796-153 *Bis* Pra.Kar of 25 October 1996;
63. Preah Reach Kram on the "Law on Banking and Financial Institutions", No. NS/RKM/1199/13 of 19 October 1999;
64. National Bank of Cambodia Prakas on the "Structure of the Foreign Trade Bank of Cambodia and Roles/Duties of its Subordinated Offices", No. B8/99/140 of 21 December 1999;
65. National Bank of Cambodia Prakas on "Licensing of Rural Credit Specialized Banks" No. NBC/B700/05 of 1 January 2000;
66. National Bank of Cambodia Prakas on "the Licensing of Banks", No. NBC/B700/04 of 10 January 2000;
67. National Bank of Cambodia Prakas on the "Licensing of Micro-Financing Institutions", No. NBC/B700/06 of 11 January 2000;
68. National Bank of Cambodia Prakas on "Liquidity for Banks and Micro Financing Institutions", No. NBC/B700-08 of 9 February 2000;
69. National Bank of Cambodia Prakas on "Banks' Minimum Capital", No. NBC/B700/39 of 9 February 2000;
70. National Bank of Cambodia Prakas on "Banks' Solvency Ratio", No. NBC/B700/46 of 16 February 2000;
71. National Bank of Cambodia Prakas on the "Banks' Net Worth Calculation", No. NBC/B700/47 of 16 February 2000;
72. National Bank of Cambodia Prakas on the "Classification of and Provisioning for Bad and Doubtful Debts, Including Interest in Suspense", No. NBC/B700/51 of 17 February 2000;
73. National Bank of Cambodia Prakas on "Controlling Bank's Large Exposures", No. NBC/B700/52 of 17 February 2000;
74. "Insurance Law" No. NS/RKM/0700/02 of 20 June 2000;
75. Draft Sub-Decree on Insurance dated 21 September 2002;
76. Draft Telecom Act;
77. Draft Tourism Law;

78. Revised Draft Tourism Law dated 23 May 2002;
79. "Law on Nationality" of 20 August 1996;
80. "Law on Immigration" of 26 August 1994;
81. "Labour Law" of 13 March 1997;
82. "Law on the Press" of 18 July 1995;
83. Draft Law of Secured Transactions;
84. Draft Highway Code; and
85. Royal Decree on the "Law on the Suppression of Gambling", No. NS/R. Decr/0196/28 of 26 January 1996.

Table 1(a): Status of State-Owned Enterprises (at end-April 2000)

Controlling Ministry	Enterprises to be Retained				Enterprises to be Privatized				Enterprises already Privatized			Enterprises already transformed into Public Enterprises	Total
	Fully active	Reduced activity	Idle	Total	Fully active	Reduced activity	Idle	Total	Leased enterprises	Joint venture	Sold to private sector		
Planning	0	0	0	0	0	0	0	0	0	0	1	0	1
Agriculture	0	0	0	0	5	2	0	7	22	2	0	7	31
Commerce	0	0	0	0	0	2	0	2	19	0	5	3	27
Culture	0	0	0	0	0	0	0	0	4	0	0	0	4
Health	0	0	0	0	0	0	0	0	1	1	1	1	4
Industry	0	0	0	0	0	3	0	3	50	0	4	0	54
Public works and Transport	4	1	0	5	0	4	0	4	15	0	2	0	17
Post and Telecommunications	0	0	0	0	0	0	0	0	2	1	0	0	3
Council of ministers	1	0	0	1	0	0	0	0	3	1	2	0	6
Finance	0	0	0	0	0	0	0	0	0	0	3	0	3
Foreign Affairs	0	0	0	0	0	0	0	0	8	0	0	0	8
Defence	0	0	0	0	0	0	0	0	6	0	0	0	6
Information	0	0	0	0	0	0	0	0	4	0	0	0	4
Education	0	0	0	0	0	0	0	0	7	0	0	0	7
Tourism	0	0	0	0	0	0	0	0	5	0	0	0	5
Urbanization	2	0	0	2	0	0	0	0	5	0	0	0	5
Interior	0	0	0	0	0	0	0	0	1	0	2	0	3
Total	7	1	0	8	5	11	0	16	152	5	20	11	188

Table 1(b): Enterprises to remain in State ownership upon completion of the privatization programme

No.	Ministry	State-owned enterprises to be retained
1.	Ministry of Commerce	Green Trade Company
2.	Ministry of Industry, Mines and Energy	Electricity of Cambodia (EDC)
3.	Office of the Council of Ministers	Printing House of the Office of the Council of Ministers
4.	Ministry of Economy and Finance	Rural Development Bank
5.	Ministry of Public Works and Transport	Sihanouk Ville Port, Phnom Penh Port, Kampuchea Shipping Agency and Broker (KAMSAB), Laboratory of Construction, Royal Railway Station, Neak Loeung Ferry, Prek Tamak Ferry and Prek Kdam Ferry.
6.	Ministry of Agriculture, Forestry, and Fisheries	Agricultural Inputs Company. Discussions are ongoing on whether the 7 Rubber State-owned enterprises are be retained as state-owned enterprises after the privatization is completed.

Table 2: Excise taxes levied on motor vehicles and motorcycles in Cambodia

Head- ing	HS - Code	Description of Goods	Excise Rate
87.02		Motor vehicles for the transport of ten or more persons, including the driver.	
		- With compression-ignition internal combustion piston engine (diesel or semi-diesel):	
	8702.10.10	-- Gross vehicle weight exceeding 6t but not exceeding 18t, not fully assembled	10
	8702.10.20	-- Gross vehicle weight exceeding 6t but not exceeding 18t, fully assembled	10
	8702.10.90	-- Other	10
	8702.90.00	- Other	10
87.03		Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading No. 87.02), including station wagons and racing cars.	
		- Other vehicles, with spark-ignition internal combustion reciprocating piston engine:	
		-- Of a cylinder capacity not exceeding 1,000 cc:	
	8703.21.20	--- Other vehicles for the transport of not more than 8 persons, including the driver	20
	8703.21.30	--- Other vehicles for the transport of 9 persons, including the driver	20
		-- Of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc:	
	8703.22.20	--- Other vehicles for the transport of not more than 8 persons, including the driver	20
	8703.22.30	--- Other vehicles for the transport of 9 persons, including the driver	20
		-- Of a cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc:	
		--- Other, of a cylinder capacity exceeding 1500 cc but not exceeding 2,000 cc:	
	8703.23.21	---- For the transport of not more than 8 persons, including the driver	20
	8703.23.22	---- For the transport of 9 persons, including the driver	20
		--- Other, of a cylinder capacity exceeding 2,000 cc but not exceeding 3,000 cc:	
	8703.23.31	---- For the transport of not more than 8 persons, including the driver	30
	8703.23.32	---- For the transport of 9 persons, including the driver	30
		-- Of a cylinder capacity exceeding 3,000 cc:	
		--- Other, of a cylinder capacity not exceeding 4,000cc:	
	8703.24.21	---- For the transport of not more than 8 persons, including the driver	30
	8703.24.22	---- For the transport of 9 persons, including the driver	30
		--- Other, of a cylinder capacity exceeding 4,000 cc:	
	8703.24.31	---- For the transport of not more than 8 persons, including the driver	30
	8703.24.32	---- For the transport of 9 persons, including the driver	30
		- Other vehicles, with compression-ignition internal combustion piston engine (diesel or semi-diesel):	
		-- Of a cylinder capacity not exceeding 1,500 cc:	
		--- Other , of cylinder capacity not exceeding 1,000 cc:	
	8703.31.21	---- For the transport of not more than 8 persons, including the driver	20
	8703.31.22	---- For the transport of 9 persons, including the driver	20
		--- Other, of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc:	
	8703.31.31	---- For the transport of not more than 8 persons, including the driver	20
	8703.31.32	---- For the transport of 9 persons, including the driver	20

Head- ing	HS - Code	Description of Goods	Excise Rate
		-- Of a cylinder capacity exceeding 1,500 cc but not exceeding 2,500 cc:	
		--- Other, of a cylinder capacity exceeding 1,500 cc but not exceeding 2,000 cc:	
	8703.32.21	---- For the transport of not more than 8 persons, including the driver	20
	8703.32.22	---- For the transport of 9 persons, including the driver	20
		--- Other, of a cylinder capacity exceeding 2,000 cc but not exceeding 2,500 cc:	
	8703.32.31	---- For the transport of not more than 8 persons, including the driver	30
	8703.32.32	---- For the transport of 9 persons, including the driver	30
		-- Of a cylinder capacity exceeding 2,500cc:	
		--- Other, of a cylinder capacity exceeding 2,500cc but not exceeding 3,000 cc:	
	8703.33.21	---- For the transport of not more than 8 persons, including the driver	30
	8703.33.22	---- For the transport of 9 persons, including the driver	30
		--- Other, of a cylinder capacity exceeding 3,000 cc:	
	8703.33.31	---- For the transport of not more than 8 persons, including the driver	30
	8703.33.32	---- For the transport of 9 persons, including the driver	30
87.04		Motor vehicles for the transport of goods	
		- Other, with compression-ignition internal combustion piston engine (diesel or semi-diesel):	
	8704.21.00	-- G.v.w. not exceeding 5 tonnes	10
	8704.22.00	-- G.v.w. exceeding 5 tonnes but not exceeding 20 tonnes	10
	8704.23.00	-- G,v,w, exceeding 20 tonnes.	10
		- Other, with spark-ignition internal combustion piston engine:	
	8704.31.00	-- G.v.w.not exceeding 5 tonnes	10
	8704.32.00	-- G.v.w. exceeding 5 tonnes	10
	8704.90.00	- Other	10
87.06		Chassis fitted with engines, for the motor vehicles of headings Nos. 87.01 to 87.05.	
	8706.00.10	- For vehicles of subheading No. 8702.10.10 of gross vehicle weight of 6t or more but not exceeding 18t	10
		- For vehicles of heading No 87.03:	
	8706.00.21	-- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8706.00.22	-- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8706.00.23	-- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10,8703.33.10	10
	8706.00.90	- Other	10
87.07		Bodies (including cabs), for the motor vehicles of headings Nos. 87.01 to 87.05.	
		- For vehicles of heading No 87.03:	
	8707.10.10	-- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8707.10.20	-- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8707.10.30	-- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10

Head- ing	HS - Code	Description of Goods	Excise Rate
	8707.90.00	- Other	10
87.08		Parts and accessories of the motor vehicles of headings nos. 87.01 to 87.05.	
		- Bumpers and parts thereof:	
		-- Of moulded plastic:	
	8708.10.12	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.10.13	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.10.14	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.10.15	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Other:	
	8708.10.92	--- For vehicles of heading Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.10.93	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.10.94	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.10.95	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		- Other parts and accessorie of bodies (including cabs):	
		-- Safety seat belts:	
	8708.21.20	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.21.30	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.21.40	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.21.50	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Other:	
		--- Components of door trim assembly:	
	8708.29.12	---- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.29.13	---- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.29.14	---- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.29.15	---- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		---- Other:	

Head- ing	HS - Code	Description of Goods	Excise Rate
	8708.29.92	----- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.29.93	----- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.29.94	----- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.29.95	----- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		- Brakes and servo-brakes and parts thereof:	
		-- Mounted brake linings:	
	8708.31.20	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.31.30	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.31.40	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.31.50	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Other:	
	8708.39.20	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.39.31	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.39.40	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.39.50	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		- Gear boxes:	
		-- Not fully assembled:	
	8708.40.12	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.40.13	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.40.14	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.40.15	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Fully assembled:	
	8708.40.22	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.40.23	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.40.24	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30

Head- ing	HS - Code	Description of Goods	Excise Rate
	8708.40.25	- - - For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		- Drive-axles with differential, whether or not provided with other transmission components:	
		-- Not fully assembled:	
	8708.50.12	- - - For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.50.13	- - - For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.50.14	- - - For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	10
	8708.50.15	- - - For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Fully assembled:	
	8708.50.22	- - - For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.50.23	- - - For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.50.24	- - - For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.50.25	- - - For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		- Non-driving axles and parts thereof:	
		-- Not fully assembled:	
	8708.60.12	- - - For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.60.13	- - - For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.60.14	- - - For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.60.15	- - - For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Fully assembled:	
	8708.60.22	- - - For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.60.23	- - - For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.60.24	- - - For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.60.25	- - - For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		- Road wheels and parts and accessories thereof:	
		-- Wheel centre discs:	
	8708.70.12	- - - For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10

Head- ing	HS - Code	Description of Goods	Excise Rate
	8708.70.13	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.70.14	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.70.15	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Other:	
	8708.70.92	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.70.93	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.70.94	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.70.95	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		- Suspension shock-absorbers:	
		-- Parts:	
	8708.80.12	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.80.13	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.80.14	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.80.15	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Other:	
	8708.80.92	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.80.93	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.80.94	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.80.95	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		- Other parts and accessories:	
		-- Radiators:	
	8708.91.20	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.91.30	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.91.40	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.91.50	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10

Head- ing	HS - Code	Description of Goods	Excise Rate
		-- Silencers and exhaust pipes:	
		--- Straight-through silencers:	
	8708.92.12	---- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.92.13	---- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.92.14	---- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.92.15	---- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		--- Other:	
	8708.92.92	---- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.92.93	---- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.92.94	---- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.92.95	---- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Clutches and parts thereof:	
	8708.93.20	--- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.93.30	--- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.93.40	--- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.93.50	--- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Steering wheels, steering columns and steering boxes:	
		--- Steering wheels:	
	8708.94.12	---- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.94.13	---- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.94.14	---- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.94.15	---- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		--- Steering columns and steering boxes:	
	8708.94.22	---- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.94.23	---- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20

Head- ing	HS - Code	Description of Goods	Excise Rate
	8708.94.24	----- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.94.25	----- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		-- Other:	
		--- Brake and clutch pedals; chassis for Asian Utility Vehicles; fuel tanks, assembled:	
	8708.99.12	----- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.99.13	----- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.99.14	----- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.99.15	----- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		--- Unassembled fuel tanks:	
	8708.99.22	----- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.99.23	----- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.99.24	----- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.99.25	----- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
		--- Other:	
	8708.99.92	----- For vehicles of headings Nos. 8702 and 8704 except subheading No.8704.10.00	10
	8708.99.93	----- For vehicles of subheadings No 8703.21.20, 8703.21.30, 8703.22.20, 8703.22.30, 8703.23.21, 8703.23.22, 8703.31.21, 8703.31.22, 8703.31.31, 8703.31.32, 8703.32.21, 8703.32.22	20
	8708.99.94	----- For vehicles of subheadings No 8703.23.31, 8703.23.32, 8703.24.21, 8703.24.22, 8703.24.31, 8703.24.32, 8703.32.31, 8703.32.32, 8703.33.21, 8703.33.22, 8703.33.31, 8703.33.32	30
	8708.99.95	----- For vehicles of subheadings No 8703.21.10, 8703.22.10, 8703.23.10, 8703.24.10, 8703.31.10, 8703.32.10, 8703.33.10	10
87.11		Motorcycles (including mopeds) and cycles fitted with auxiliary motors; with or without side-cars; side cars.	
		- With reciprocating internal combustion piston engine of a cylinder capacity exceeding 50 cc but not exceeding 250 cc:	
	8711.20.20	-- With reciprocating internal combustion piston engine of a cylinder capacity exceeding 125 cc but not exceeding 250 cc	10
	8711.30.00	- With reciprocating internal combustion piston engine of a cylinder capacity exceeding 250 cc but not exceeding 500 cc	10
	8711.40.00	- With reciprocating internal combustion piston engine of a cylinder capacity exceeding 500 cc but not exceeding 800 cc	10
	8711.50.00	- With reciprocating internal combustion piston engine of a cylinder capacity exceeding 800 cc	10

Head- ing	HS - Code	Description of Goods	Excise Rate
		- Other:	
	8711.90.20	-- With cylinder capacity 125 cc or more	10
87.14		Parts and accessories of vehicles of headings nos. 87.11 to 87.13.	
		- Of motorcycles (including mopeds):	
		-- Of saddles:	
	8714.11.20	--- For cycles of subheadings Nos. 8711.20.20, 8711.30.00, 8711.40.00, 8711.50.00, 8711.90.20	10
		-- Other:	
	8714.19.20	--- For cycles of subheadings Nos. 8711.20.20, 8711.30.00, 8711.40.00, 8711.50.00, 8711.90.20	10

Table 3: Imported products exempt from VAT in Cambodia

HS classification	Product description
0101.11.00; 0102.10.00; 0103.10.00; 0104.10.10; 0104.20.10; 0105.11.10; 0105.12.10; 0105.19.10; 0105.19.30; 0105.92.10; 0105.93.10; 0106.00.10; 0511.10.00; 0701.10.00	Animal species
1005.10.00; 1006.11.00; 1008.30.00; 12.04; 12.05; 12.06; 1207.20.00; 1207.30.00; 1207.40.00; 1207.50.00; 1207.60.00; 1207.91.00; 12.09; 50.01	Seeds
23.08; 23.09 except 2309.10.10 and 2309.10.90	Animal feedstuff and supplementary feed

Table 4: Pesticides banned from use in Cambodia

	Common Names	Family	WHO Toxicity Classification	Trade Names
I. INSECTICIDES				
1	Aldicarb	CA	Ia	
2	Aldrine	O		Aldrex Aldrite
3	BHC/HCH, Lindane	OC	II	Gamma-BHC Gamma-HCH
4	Calcium asenate	AS	Ib	Spra-cal
5	Camphenchlor(Toxaphene, Polychlorcamphene)	O		Alltox Camphopene Toxakil
6	Chlordane	OC	II	Mablet 90S Sake Te-V88
7	Chlordimeform	O		Acoron Fundex Octachlor
8	Chlorfenvinphos/CVP	OP	Ib	Apachlor Birlane
9	Chlormephos	OP	Ia	
10	Cyanthoate/Tartan	O		
11	Cyhexatin	OT	III	Acarstin Metaran Tiran
12	DDT	OC	II	Anofex DDT
13	Demefox	O		
14	Demephion-o-and-s	O		
15	Demeton-S-methyl	OP	Ib	
16	Dieldrin	O		Dieldrite Dieldrex
17	Disulfoton/Ethylthiodemeton	OP	Ia	Bay Sovirex
18	DNOC	NP	Ib	Elgetol Nitrador
19	Eldrine/Endrine/nendrine	O		Agrine Endrotox
20	EPN	OP	Ia	EPN
21	Ethoprop/Ethoprophos	OP	Ia	Prophos Jolt
22	Fensulfothion	O		Dasanit
23	Fonofos	OP	Ia	Dyfonate 4 EC
24	Heptachlor	OC	II	Drimex Heptamul Heptox
25	Isodrin(Isomer of Aldrine)	O		
26	Isoxathion	OP	Ib	Karphos
27	Lead asenate	AS	Ib	
28	Leptophos	O		Abar Fosvel MBCP
29	Mephospholan	O		Cytrolane

	Common Names	Family	WHO Toxicity Classification	Trade Names
30	Mercaptophos	O		Systox
31	Methamidophos	OP	Ib	Filitox50EC, 600DD, 70 SC
				Morri
				Ovansu
				Vindo
				Giant
				Monitor50EC, 50SC,70DD
				Thom 50EC
				Marathon
				U-T 70
32	Methomyl	CA	Ib	Lannat
33	Methidathion	OP	Ib	Supracide
34	Methyl parathion/parathion ethyl	OP	Ia	Folidol
				Metaphos 40ND
				Methylparathion
				Pamakon
				Parathet
				Ankun-V
				Validol-V
				Elxydol-D
				Treetox
				Folez-folez
				Foxintol
				Suthom-M
35	Mevinphos	OP	Ia	Phosdrin
				Phoskin
				Fitor
				Bosdin
				Famoso 240
				Kvinphos 24
				Lockphos
				Mevinphos24DD
				Sudrin
				X-phos
36	Monocrotophos	OP	Ib	Azodrin 50DD, 50 SCW
				Apadrin
				Tanchodrin
				Worldcron
				Monocrotophos
37	Oxamyl	CA	Ib	Vydate
38	Phorate	OP	Ia	Agrimet
				Timet
39	Pentachlorophenol / PCP	OC	Ib	Pentacan
				Penchlorol
				Pentwar
40	Phosphamidon	OP	Ia	Dimecron
				Phos-sul
41	Phosfolan	O		Cyolan
				Cylan
42	Prothoate	O		Fostion
43	Schradan	O		Sytam

	Common Names	Family	WHO Toxicity Classification	Trade Names
44	Terphene polychlorinate		II	Strabane polychlorinate of camphene
45	TEPP	O		Kilmite 40 Tetron
46	Triazophos	OP	Ib	
II. RODENTICIDES				
47	Antu	O		Krysid
48	Scilliroside	O		Red squill Dethdiet Rodine
49	Talinum compound			
III. HERBICIDES				
50	2,4,5-T		O	Brochtox Decamine Veon Weedar
51	Dinoseb/Dinoseb acetate, amine	O		Arenit Ivosit
IV. FUNGICIDE				
53	Asenic compound (AS)			
54	Captafol	OC	Ia	Difolatal Difolatan Merpafol Sannspor Folcid
55	Captan	Phtgali- mide Deriv- ative	Un	Foipet Captagil Merpan Captafor Captan
56	Edifenphos	OP	Ib	Agrosan Hisan
57	Hexachlorobenzene	OC	Ia	Anticaric HCB Termid
58	Mercury Compound (Hg)			
59	Selenium Compound (Se)			
60	Sodium Compound			
V. FUMIGANTS				
62	1,1,2,2-Tetrachloroethan	Org		GASPA
63	Ethylene Oxide	Org		
64	Dibromochloropropane	OC		Nemagon Nemafum
65	Ethylene dibromide	Org		Agrogas Bromofume Edesol Dibrome
66	Ethylene dichloride	Org		

Note:

AS	Arsenic Compound
CA	Carbamate
CO	Coumarin derivate
Inorg	Inorganic compound
NP	Nitrophenol derivate
O	Obsolete
OC	Organochlorinecompound
OP	Organophosphorus compound
OT	Organotin compound
Org	Organic compound

Table 5: Goods subject to import licensing

HS Codes	Description	Government Body in charge of import licensing
300110, 300120, 300190, 300210, 300210, 300230, 300290, 300310, 300320, 300330, 300340, 300390, 300410, 300420, 300430, 300440, 300450, 300490, 300510, 300590, 300610, 300620, 300630, 300640, 300650, 300660	Pharmaceuticals and medical material	Ministry of Health, Department of Drugs and Food
310100, 310210, 310220, 310230, 310240, 310240, 310250, 310260, 310270, 310280, 310290, 310310, 310320, 310390, 310410, 310420, 310430, 310490, 310510, 310520, 310530, 310540, 310550, 310560, 310590, 380810, 380820, 380830, 380840, 380890	Agricultural inputs	Ministry of Agriculture, Forestry and Fishery (MAFF), Department of Agricultural Legislation
36; 93	Weapons, explosives and ammunition	Ministry of National Defense
71.06; 71.08; 71.18	Gold, silver, precious stones and articles thereof	National Bank of Cambodia
88; 89	Vehicles, aircraft and parts, ships and boats, and other machinery for military purposes	Ministry of National Defense

Table 6(a): Action Plan on Customs Valuation

Year	Activities	Outcome	Technical Assistance sought
2001	Drafting of Law on Customs to comply with WTO requirements and WCO standards initiated.	Customs legislation that fully complies with WTO requirements	TCAP: IMF expert and resident advisor.
	Technical training in valuation techniques provided to 24 officers by NZ customs experts.	Basic knowledge of WTO Customs Valuation policies and procedures	NZ Customs through ASEAN Secretariat.
	Drafting of preliminary strategy for WTO Valuation Agreement (WTO-VA). Implementation plan prepared.	Comprehensive action plan prepared	New Zealand Customs (ASEAN Secretariat).
	Technical assistance on creation of a post clearance audit function.	Development of a proposal for basic PCA program and plan for full implementation	New Zealand Customs (ASEAN Secretariat).
	Introductory training in WTO-VA to 50 staff.	Improved awareness of WTO VA policies and procedures	PSI company (SGS) as part of contract.
	Overseas training in valuation techniques at Malaysian Customs institute (AKMAL) and by Japanese Customs.	Improved awareness of WTO VA policies and procedures	Malaysian and Japanese Customs Service.
	Implementation in head office and major customs offices of SGS valuation support system (VSS), a valuation reference database.	Improved staff capacity to assess values of imported goods	Provided by SGS as part of TA commitments
	Departmental valuation reference database implemented in Valuation office.	Improved staff capacity to assess values of imported goods	Departmental initiative.
2002	Draft Law on Customs submitted to Council of Ministries (July 2002).	Customs legislation that fully complies with WTO requirements submitted for approval	IMF assistance through TCAP.
	Development of a transition strategy and plan for implementation of the valuation agreement.	Comprehensive transitional plan to implement WTO VA provisions.	IMF assistance through TCAP (IMF resident advisor).
	Preparation for implementation of Post Clearance Audit program.	Establishment of a new organization responsible for PCA and commencement of program operation.	IMF assistance through TCAP. (IMF resident advisor).

Year	Activities	Outcome	Technical Assistance sought
2003	Law on Customs to be submitted to the National Assembly (Jan. 03) and drafting of regulations (Sub Decrees, Prakas, Circulars).	Complete the legislative package of law and regulations to ensure full compliance with WTO requirements.	IMF assistance through TCAP (IMF resident advisor).
	Implementation of the new Law on Customs, including regulations.	Implementation of a modern customs legislative basis that supports WTO obligations and fully complies with international standards – WCO Revised Kyoto Convention.	
	Creation of a WTO-VA implementation project team.	Team responsible for WTO VA implementation in place.	- NZ Customs (Asean Secretariat). - Additional assistance required.
	Preparation of a departmental plan to implement the VA transition plan.	Detailed action plan in place.	- NZ Customs (Asean Secretariat) - TCAP IMF resident advisor.
	Training of staff and traders in WTO-VA (approximately twelve to six months prior to implementation).	Enhanced understanding of and capacity to apply the WTO VA provisions within the Department and the trading community.	
	Training on new Law on Customs (internal and external).	Staff fully trained to ensure successful implementation of Law.	
	Development of a technical training program for staff and traders.	Comprehensive training program developed and tested for delivery.	Technical assistance required
	Launching of a trade outreach program (consultation/information about new regulations).	Participation of traders in the implementation of the new procedures and improved compliance.	
	Preparation of departmental valuation technical procedure manuals.	Complete customs valuation operational policy and procedures documentation in place for staff guidance.	Technical assistance required
	Revision of PSI contract to ensure compliance with WTO Valuation Agreement (VA) rules.	PSI contract fully compliant with WTO requirements.	SGS with Customs and Excise Department.
	Implementation of Post Clearance Audit program.	Establishment of a new organization responsible for PCA and starting of program implementation.	NZ Customs, Japanese Customs and IMF Resident Advisor.
	Launching of automated customs processing system project.	Major improvement in departmental operations, revenue collection, trader compliance and trade facilitation. Fully automated customs processing systems in place.	- To be determined - TCAP providing start up assistance. Further funding required.

Year	Activities	Outcome	Technical Assistance sought
2004-2008	Implementation of transitional provisions.	Gradual application of WTO VA agreement without revenue loss due to poor compliance, implementation of the transitional plan..	Technical assistance needed.
	Provision of transitional assistance and guidance to traders.	Successful implementation of the transitional plan and, eventually, full application of the VA.	
	Full implementation of WTO-VA by end of 2008.	Successful implementation of the VA.	

Table 6(b): Transition plan proposed by Cambodia for the implementation of the WTO Customs Valuation Agreement

Timeframe	Steps in implementing the WTO Customs Valuation Agreement
By end of 2004	<p>Transaction valuation to apply to:</p> <ul style="list-style-type: none"> - imports by large multinational and Cambodian companies having a well established compliance record with the Customs and Excise Department and being considered low risk importers. Initially, only importers of selected products – including, among others, petroleum products, pharmaceuticals, cigarettes and tobacco products, alcohol and beer, and new automobiles and motorcycles – will be concerned. - imports by firms other than large, multinational and Cambodian companies which import goods that are identical or similar to goods imported by these large firms, based on their compliance records. <p>Post clearance audit procedures will be applied to ensure compliance. Valuation declarations may be used to help the Department administer and enforce the new provisions.</p> <p>The importers involved will be required to agree to provide Customs with supporting information on the price actually paid and on freight and insurance charges for their imports.</p> <p>They will also have to agree to participate in the post clearance audit program and commit to maintain and make available the required books and records for audit.</p>
By end of 2005	<p>Transaction valuation to apply to:</p> <ul style="list-style-type: none"> - imports by investment companies and other importers entitled to exemption (NGOs, foreign missions, etc).
By end of 2006	<ul style="list-style-type: none"> - imports, by selected low risk importers and sectors, of low value goods subject to relatively low rates of duty and representing limited revenue risk - imports of identical or similar goods by other importers
By end of 2007	<ul style="list-style-type: none"> - remaining imports of low value goods subject to relatively low rates of duty.
By end of 2008	<ul style="list-style-type: none"> - all imports, including highly taxed and sensitive goods.

Note: This schedule may be adjusted depending on the results achieved in the implementation of the action plan (including revenue impact).

Table 7: Imports subject to minimum customs value

HS code	Product description
24021000, 24022010, 24022090, 24029010, 24029020	Cigarettes
27010071, 27100072, 27100073, 27100079	Gas oils
27100021-27100027, 27100031	Petrol
71081100, 71081200, 71081300, 71082000	Gold bars
8701-8705	Motor vehicles
87111000, 87112010, 87112020, 87113000-87115000	Motor cycles

Table 8: Items subject to export taxes

HS Heading	Description of Goods	Export Tariff (% <i>ad valorem</i>)
01.02 01.03	Pure bred breeding bovine animals and swine	10
03.01, 03.02 03.03, 03.04 03.05	Live fish, prepared fish and fish products	10
03.06 03.07	Live crustaceans and molluscs and products thereof	10
12.11,13.01 13.02	Cannabis, Cannabis resin, extracts and dyes, coca, opium*	50
29.05.50	Halogenated, sulphonated, nitrated or nitrated derivatives of a cyclic alcohol*	50
29.26	Nitrile-function compounds*	50
40.01 40.04	Natural rubber in primary forms or in plates, sheets or strips and rubber waste	10
44.02, 44.03 44.04, 44.05 44.06, 44.07	Unprocessed and semi-processed wood; wood charcoal	10
44.08.10.00 44.09	Sawn and shaped wood. Veneer sheets and sheets for plywood; strips for flooring	5

* Categories included for the sake of formal completeness. The products in these groups require a licence in order to be exported. The Royal Government has in fact never issued any such licenses.

Table 9: Export restrictions maintained by Cambodia

HS Code	Product description	Measure	Responsible agency	GATT/WTO justification
	Rice	Quota/NAL		Eliminated on 26 July 2001
	Pharmaceuticals and medical material	Permit; Prohibition for narcotic drugs and poisons	Ministry of Health	
	Round and sawn logs	Prohibition	Council of Ministers	GATT Article XX(g)
	Wood products	Quota/NAL	Council of Ministers, MAFF, Ministry of Commerce	GATT Article XX(g)
	Weapons, explosives and ammunition	NAL	Ministry of National Defence	
	Vehicles and machinery for military purposes	NAL	Ministry of National Defence	
	Antiques more than 100 years old	Prohibition		

NAL: Non-automatic licensing

Table 10: Action Plan for implementation of the Agreement on Technical Barriers to Trade

Year	Activities	Technical Assistance needed
1999-2001	<ul style="list-style-type: none"> - Sub-Decree on Industrial Standards of Cambodia approved and signed on 15 May 2001. - Implementation of Ministry of Industry Notice on Registration of Industrial Products. - Establishment of a TBT and Standards Library at the Department of Industrial Standards of Cambodia. 	<ul style="list-style-type: none"> - No TA provided
2002	<ul style="list-style-type: none"> - Drafting of: <ul style="list-style-type: none"> - the Law on Industrial Standards - technical regulations, including: <ul style="list-style-type: none"> (1) Procedures and Application Forms for Using Standards; (2) Procedures for Using Standard Marks; (3) Size of Standards Marks; (4) Certificate and License Forms; (5) Form of Auditing and Assessment; (6) Form of Pre-assessment and Market Survey; (7) Form of Receipt for Payment of Services; (8) Form of testing and Calibration Reports; (9) Request Form for Testing and Calibration. - Revision of the Ministry's Note on Registration of Industrial Product - Draft Sub-Decree on Metrology submitted to the Council of Ministers for adoption. 	<ul style="list-style-type: none"> - No TA provided
2003	<ul style="list-style-type: none"> - Finalisation of the draft of the Law on Industrial Standards and ratification by the Parliament. - Adoption of the Sub-Decree and Regulations for the implementation of the Law. - Drafting of technical regulations on: <ul style="list-style-type: none"> (10) Procedures for Accessing Information and Publication; (11) Arrangement and Execution of Industrial Standards Technical Committee; (12) Declaration of Amended or Revised Standards; (13) Procedures and Guidelines for Declaration of Mandatory Standards Marks; (15) Procedures for Preparation and adoption of Standards; (16) Procedures for Sampling, Verification, Testing, Inspection and evaluation of Conformity in Processing establishments, Registration, Accreditation; (17) Procedures for Urgent Notifications on Dangerous products; (18) Procedures for recognition and acceptance of Foreign testing certificate and Calibration; (19) Procedures for Recognition of Foreign Inspection Bodies, Certification Bodies and Accreditation Bodies; (20) Procedures for Adoption or Applying Foreign Technical Regulations. - Establishment of a TBT Inquiry Point and of a notification office under the Department of Industrial Standards of Cambodia. - Publication of a Standards Bulletin covering all activities relating to technical regulations, standards and conformity assessment procedures. - Capacity building for key standards personnel in the field of standardization, management, methods and procedures for sampling and inspection, auditing, inspection and surveillance, and for auditors, assessors, inspectors, and staff responsible for testing and calibration and for issuing certificates and licenses. - Setting-up of a roadmap for standards and conformity infrastructure. 	<ul style="list-style-type: none"> - Legal experts to assist in drafting the Sub-decree and Regulations for implementation of the Law on Industrial Standards of Cambodia. - Legal expert specialized in standards and WTO/TBT requirements. - Short term metrology expert. - Long term standards experts, including experts specialized in WTO/TBT Agreement and requirements. - Short term and long term training on standards, management systems, certification system, accreditation, testing and assessment, especially items 12, 16, 17, 18, 19 and 20. - Short term expert on

Year	Activities	Technical Assistance needed
	<ul style="list-style-type: none"> - Installation of testing and calibration equipment in laboratories. - Establishment of a TBT and standards library and training of a librarian. 	<ul style="list-style-type: none"> standards and conformity assessment as specified under item 16. - Short term and long term training for auditors, assessors, certification bodies, testing body. - Provision of electro-technical and mechanical testing equipment. - Provision of materials and equipment related to the management of TBT activities and Standards library.
2004	<ul style="list-style-type: none"> - Drafting of technical regulations on safety of chemical products, electrical products and toys. - Training of standards staff on international trade and TBT implementation 	<ul style="list-style-type: none"> - Long term standards experts. - Short and long term training on TBT and TBT enquiry point.
2005-2006	<ul style="list-style-type: none"> - Readjustment of technical regulations and procedures in accordance with new scientific discoveries and approaches. - Training of standards personnel. 	<ul style="list-style-type: none"> - Long term experts on TBT.

Note: This schedule may be adjusted depending on results achieved in the implementation of the action plan.

Table 11: Action Plan for the implementation of the SPS Agreement

Year	Activities	Technical Assistance sought
2001 and earlier	Adoption of: <ul style="list-style-type: none"> - Sub-decree No. 54 dated 22 September 1997 on the delegation of responsibilities among other tasks to ensure product quality and safety including food products. - Prakas No. 12 dated 13 January 1998 on the appointment of the role of ensuring food safety including food control at the import-export level and related frauds. - Prakas No. 329 MOC/M99 on pre-packed food labeling. - Sub-decree No. 5 dated 3 February 1998 on the establishment of the Inter-ministerial Committee for coordinating the control of quality and safety of products and services. - Law on the Management of Quality and Safety of Products and Services (promulgated by Reach Kram No. NS/RKM/0600/001 dated 21 June 2000). - Sub-decree No. 28 dated 9 March 2001 on the establishment of the National Codex Committee (NCC) and its Secretariat. - Prakas No. 357/MOC dated 31 December 2001 on the establishment of the Technical Working Groups (TWG) for the National Codex Committee. 	<ul style="list-style-type: none"> - Technical assistance on food safety regulations provided by FAO, France, New Zealand. - Technical assistance on food standards provided by FAO.
	<ul style="list-style-type: none"> - Strengthening of the understanding of WTO rules and SPS agreement within the inter-ministerial committee. 	<ul style="list-style-type: none"> - Assistance provided by UNCTAD for the preparation of the ACC/4 and ACC/8.
2002	<ul style="list-style-type: none"> - Strengthening of the implementation of Codex Alimentarius through: (i) regular meetings of the NCC and TWGs; (ii) the establishment of a Codex Unit in every ministry concerned to provide effective inputs and proactive participation to the Codex work; and (iii) the development and update of the Codex Library. - Improvement of the functioning of the chemical and microbiological food analysis laboratory at Camcontrol. 	<ul style="list-style-type: none"> - The European Union pledged TA in 2001, but it has not yet been implemented.
	<ul style="list-style-type: none"> - Revision of Sub-decree No. 14 on Animal Sanitary (1988) and Sub-decree No. 98 on Phytosanitary (1983) to ensure compliance with the SPS Agreement. Both were adopted in February 2003. - Drafting of a Sub-decree on Food Hygiene, including storage requirement and microbiological requirements (first draft prepared). - Establishment of SPS Enquiry Point (26 July 2002 Council of Ministers' decision - notification letter No. 1093). - Setting-up of an information system and management database. - Design of a plant pest and animal disease surveillance and control program. - Establishment of a plant pest and FMD free zone and of a Plant and Animal Quarantine Station. - Assessment of training needs on management and implementation of SPS Agreement. 	<ul style="list-style-type: none"> - Ad-hoc expertise on animal quarantine and plant quarantine provided by international experts under the WB Agriculture Productivity Improvement Project (APIP). - New Zealand Assistance provided for a meeting of Cambodia, Laos, Myanmar and Vietnam on planning and implementing capacity building on SPS. - UNCTAD Assistance in answering the questions and preparing the Action Plan on SPS.

Year	Activities	Technical Assistance sought
	<ul style="list-style-type: none"> - Technical training on SPS, in particular on: (1) Plant Quarantine Measures; (2) Animal Quarantine Measures; (3) Laboratory Diagnostic and Product Testing; (4) Plant and Animal Quarantine, (5) risk analysis. 	
2003	<ul style="list-style-type: none"> - Functioning of SPS Enquiry Point: training of personnel and equipment. - Proficiency testing for food microbiological hygiene and food chemical analysis towards MRA'S in the region. - Drafting of: <ul style="list-style-type: none"> - Sub-decrees on Food Safety Standards on Additives (Sweeteners, Colours, Flavours, Preservatives and Antioxidants); Environmental Contaminants; Agricultural Chemicals: Pesticide Residues; and on Food Inspection administration;. - Regulations on Safety Requirements for Fresh Vegetables and Processed Vegetables; Fresh Fruits and Processed Fruits; and Cereals Pulses and Legumes. - Guidelines on Assurance of Seafood Quality. - Capacity building for key Camcontrol, NCC, and TWGs personnel on the implementation of the above regulations. - Update of the Codex Library. 	<ul style="list-style-type: none"> - Experts on Inquiry Point, microbiological and chemical analysis of food products, food import control, seafood quality assurance, as well as technical and legal experts on food products and food standards. - Law enforcement experts. - Lab equipments. - Short and long term training and overseas familiarisation missions.
	<ul style="list-style-type: none"> - Drafting of registration procedures and implementation of registration for cosmetic products. 	<ul style="list-style-type: none"> - Expert on drafting regulations on cosmetic registration. - Expert on laboratory for pharmaceutical analysis.
	<ul style="list-style-type: none"> - Capacity building for key Camcontrol, MAFF and MoH personnel on the implementation of the above regulations. 	<ul style="list-style-type: none"> - ST or LT training programs, including overseas familiarisation missions. - Laboratory equipment and reagents for food analysis, plant pest and animal microbiological analysis. - Provision of rapid testing kits for a food quality, plant pest and pathogenic materials assessment.

Year	Activities	Technical Assistance sought
2004	<ul style="list-style-type: none"> - Drafting of regulations on Safety Requirements for Drinking Water and Natural Mineral Water, Edible Ice, Sugar, Fat and Oil, Food Products Certification (for exportation). - Capacity building for key Camcontrol, NCC, and TWGs personnel on the implementation of the above regulations. - Update of the Codex Library. 	<ul style="list-style-type: none"> - Experts on food products certification (for export) and chemical analysis and microbiological analysis of food products, and technical and legal experts on food products and food standards. - Short and long term training and overseas familiarisation missions. - Laboratory equipment and reagents for food analysis, plant pest and animal microbiological analysis. - Provision of rapid testing kits for a food quality, plant pest and pathogenic materials assessment.
2005	<ul style="list-style-type: none"> - Drafting of regulations on Safety Requirements for Fresh Milk and Processed Milk Products, and for Frozen Food, and regulations for Nutrition and Food for Special Dietary Uses. - Capacity building for key Camcontrol, NCC, and TWGs personnel on the implementation of the above regulations. - Update of the Codex Library. 	<ul style="list-style-type: none"> - Experts on law enforcement, food products certification (for exportation) and chemical analysis and microbiological analysis of food products, and technical and legal experts on food products and food standards. - Short and long term training and overseas familiarisation missions.
2006/ 2007	<ul style="list-style-type: none"> - Readjustment of technical regulations, standards and procedures in accordance with new scientific discoveries and approaches. - Work towards accreditation of inspection bodies and testing laboratories. - Capacity building for key Camcontrol, NCC, and TWGs personnel on the implementation of the above regulations. - Update of the Codex Library. - Completion of the implementation of the SPS Agreement. 	<ul style="list-style-type: none"> - Experts on law enforcement, food products certification (for exportation) and chemical analysis and microbiological analysis of food products, and technical and legal experts on food products and food standards. - Short and long term training and overseas familiarisation missions.
		<ul style="list-style-type: none"> - Laboratory equipment and reagents for food analysis, plant pest and animal microbiological analysis. - Provision of rapid testing kits for a food quality, plant pest and pathogenic materials assessment.

Note: This schedule may be adjusted depending on results achieved in the implementation of the action plan.

Table 12: Action Plan for implementation of the TRIPS Agreement

Year	Activities
2002	
January	– Promulgation of the Law on Marks, Trade Name and Acts of Unfair Competition.
November	– Adoption of the Law on Patents, Utility Models and Industrial Designs.
December	– Ratification of the Law on Patents, Utility Models and Industrial Designs.
2003	
January	– Adoption of the Law on Copyright & Related Rights. – Promulgation of the Law on Patents, Utility Models and Industrial Designs.
February	– Ratification of the Law on Copyright & Related Rights.
	– Drafting of the Laws on Geographical Indications and Protection of Undisclosed Information and Trade Secret to be completed. – Promulgation of the Law on Copyright & Related Rights. – Sub-Decree and implementing regulations on the Laws on Marks, Trade Name and Acts of Unfair Competition. – Capacity building for key IP personnel in the field of trademarks.
2004	– Drafting of the Laws on Layout Design of Integrated Circuits and Plant Variety Protection to be completed and adoption by the Council of Ministers. – Adoption, ratification and promulgation of the Law on Geographical Indications. – Adoption of Law on Protection of Undisclosed Information and Trade Secret. – Sub-Decree and implementing regulations on Copyrights & Related Rights; Patents, Utility Models and Industrial Designs. – Capacity building for key IP personnel in the field of copyrights; Patents, Utility Models and Industrial Designs.
2005	– Adoption, ratification and promulgation of the Law on Layout Design of Integrated Circuits. – Ratification and promulgation of the Laws on Protection of Undisclosed Information and Trade Secret, and Plant Variety Protection. – Sub-Decree and implementing regulations on Geographical Indications, and on Protection of Undisclosed Information and Trade Secret. – Capacity building for key IP personnel in the fields of Geographical Indications, and Protection of Undisclosed Information and Trade Secret.
2006	– Sub-Decree and implementing regulations on Layout Design of Integrated Circuits and Plant Variety Protection. – Capacity building for key IP personnel in the fields of Layout Design of Integrated Circuits and Plant Variety Protection.

Technical assistance sought throughout the transition period:

1. Technical assistance from:
 - World Intellectual Property Organization (WIPO)
 - United States of America
 - France and Australia for work on geographical indications
 - European Patent Office (EPO) for work on layout design of integrated circuits
 - UPOV for work on Plant Variety Protection

2. An expert on:
 - Trademarks, specialized in trademark inspection and enforcement (short term)
 - Copyrights, specialized in infringement enforcement and border measures (long term)
 - Patents, Utility Models and Industrial Designs, specialized in technical drafting of procedures (long term)
 - Patents, Utility Models and Industrial Designs, specialized in examination, infringement and enforcement (long term)
 - Geographical Indications, specialized in infringement enforcement and border measures (long term)
 - Layout Design of Integrated Circuits (long term)

- Protection of Undisclosed Information and Trade Secret (long term)
- Plant Variety Protection (long term)

3. Short and long term training and familiarisation missions on all issues.

Note: This schedule may be adjusted depending on results achieved in the implementation of the action plan.

[DRAFT DECISION

ACCESSION OF THE KINGDOM OF CAMBODIA

Decision of [...]

The [General Council] [Ministerial Conference],

Having regard to paragraph 2 of Article XII and paragraph 1 of Article IX of the Marrakesh Agreement Establishing the World Trade Organization (the "WTO Agreement"), and the Decision-Making Procedures under Articles IX and XII of the WTO Agreement agreed by the General Council (WT/L/93),

Conducting the functions of the Ministerial Conference in the interval between meetings pursuant to paragraph 2 of Article IV of the WTO Agreement,

Taking note of the application of the Kingdom of Cambodia for accession to WTO Agreement dated [date],

Noting the results of the negotiations directed toward the establishment of the terms of accession of the Kingdom of Cambodia to the WTO Agreement and having prepared a Protocol on the Accession of the Kingdom of Cambodia,

Decides as follows:

1. The Kingdom of Cambodia may accede to the WTO Agreement on the terms and conditions set out in the Protocol annexed to this Decision.

DRAFT PROTOCOL
ON THE ACCESSION OF THE KINGDOM OF CAMBODIA

Preamble

The World Trade Organization (hereinafter referred to as the "WTO"), pursuant to the approval of the General Council of the WTO accorded under Article XII of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to as the "WTO Agreement"), and the Kingdom of Cambodia,

Taking note of the Report of the Working Party on the Accession of the Kingdom of Cambodia to the WTO Agreement reproduced in document WT/ACC/KHM/[...], dated [...] (hereinafter referred to as the "Working Party Report"),

Having regard to the results of the negotiations on the accession of the Kingdom of Cambodia to the WTO Agreement,

Agree as follows:

PART I - GENERAL

1. Upon entry into force of this Protocol pursuant to paragraph 8, the Kingdom of Cambodia accedes to the WTO Agreement pursuant to Article XII of that Agreement and thereby becomes a Member of the WTO.
2. The WTO Agreement to which the Kingdom of Cambodia accedes shall be the WTO Agreement, including the Explanatory Notes to that Agreement, as rectified, amended or otherwise modified by such legal instruments as may have entered into force before the date of entry into force of this Protocol. This Protocol, which shall include the commitments referred to in paragraph [...] of the Working Party Report, shall be an integral part of the WTO Agreement.
3. Except as otherwise provided for in paragraph [...] of the Working Party Report, those obligations in the Multilateral Trade Agreements annexed to the WTO Agreement that are to be implemented over a period of time starting with the entry into force of that Agreement shall be implemented by the Kingdom of Cambodia as if it had accepted that Agreement on the date of its entry into force.
4. The Kingdom of Cambodia may maintain a measure inconsistent with paragraph 1 of Article II of the GATS provided that such a measure was recorded in the list of Article II Exemptions annexed to this Protocol and meets the conditions of the Annex to the GATS on Article II Exemptions.

PART II - SCHEDULES

5. The Schedules reproduced in Annex I to this Protocol shall become the Schedule of Concessions and Commitments annexed to the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994") and the Schedule of Specific Commitments annexed to the General Agreement on Trade in Services (hereinafter referred to as "GATS") relating to the Kingdom of Cambodia. The staging of the concessions and commitments listed in the Schedules shall be implemented as specified in the relevant parts of the respective Schedules.
6. For the purpose of the reference in paragraph 6(a) of Article II of the GATT 1994 to the date of that Agreement, the applicable date in respect of the Schedules of Concessions and Commitments annexed to this Protocol shall be the date of entry into force of this Protocol.

PART III - FINAL PROVISIONS

7. This Protocol shall be open for acceptance, by signature or otherwise, by the Kingdom of Cambodia until [...].
8. This Protocol shall enter into force on the thirtieth day following the day upon which it shall have been accepted by the Kingdom of Cambodia.
9. This Protocol shall be deposited with the Director-General of the WTO. The Director-General of the WTO shall promptly furnish a certified copy of this Protocol and a notification of acceptance by the Kingdom of Cambodia thereto pursuant to paragraph 9 to each Member of the WTO and to the Kingdom of Cambodia.

This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at [place] this [date of month in full] day of [month and year in full] in a single copy in the English, French and Spanish languages, each text being authentic, except that a Schedule annexed hereto may specify that it is authentic in only one of these languages.

ANNEX I

SCHEDULE [...] – THE KINGDOM OF CAMBODIA

Authentic only in the ... language.

(Circulated in document WT/ACC/KHM/.../Add.1)

**SCHEDULE OF SPECIFIC COMMITMENTS ON SERVICES
LIST OF ARTICLE II EXEMPTIONS**

Authentic only in the ... language.

(Circulated in document WT/ACC/KHM/.../Add.2)]
