



Post Clearance Audit

Legal Support, Right and Flow

*Korea Trade-Investment Promotion Agency, Cambodia
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1. Background

- Cambodia officially became a member of the WTO in 2004
- Commitments to the full implementation of Article VII of GATT in 1st January 2011.
- Policy implementation of Trade Facilitation through Risk Management in 2006.
- The necessity of PCA during implementation of GATT Valuation and Risk Management Policy.
- The improvement of Best Traders Incentive Mechanism-BTIM to the full implementation of Authorize Economic Operator-AEO.
- PCA Mechanism under Technical Assistant from Japan, IMF, ASEAN and Others

1. Background (Cont.)

- Cooperated with JICA to Develop PCA Brochure in 2010
- First PCA Awareness Seminar on PCA in October 2012
- PCA implementation on QIP in October 2012
- PCA Unit were established 3 units in 2012
- December 2013, PCA unit were extended into 6 units
- PCA Mechanism were extended into Non-QIP in 2015
- PCA unit were 1st modified member in 2015
- 2016 PCA Mechanism were extended into Regular Import and Export and
- PCA unit were 2nd modified member in 2016

2-Objectives of PCA

A-Definition:

PCA is a systematic Customs control measure by which the Customs satisfy themselves as to the accuracy and authenticity of declarations through the examination of the relevant books, records, business systems and commercial data held by person/companies (Auditees) directly or indirectly involved in international trade.

B- Auditee mean:

Importers, Exporters, Customs brokers, Operators of customs temporary storage facilities, Operators of customs bonded warehouses, and Transportation operators and other concerned parties including commercial Bank and similar such institution.

2-Objectives of PCA(Cont.)

C- Objective:

- To verify accuracy and authenticity of Customs declarations (**SAD**) made by an Auditee in past;
- To recommend necessary measures for correcting discrepancy in the **SAD**, including shortage of duties/taxes, to the Auditee and the relevant customs units; and
- To encourage the Auditee to improve its degree of compliance with the customs laws and regulations.

2-Objectives of PCA(Cont.)

D-Type:

1- Type of Company:

- Manufacturing Audit: QIP and Non-QIP
- Temporary Importation (T/A)
- Merchandise Audit: Regular Importers and Exporters
- Best Traders , SEZ Companies, and others

2- Type of Audit:

- Desk Review Audit,
- Limit Scope Audit and
- Compliance Audit

3. Legal Support

1. Law on Customs promulgated on 20th July 2007

- Article [15](#), [18](#), [24](#), [26](#), [51](#), [52](#), [74](#), [75](#)

2. Supporting Regulations:

- MEF Prakas No. 388 on Post Clearance Audit by GDCE
- GDCE guidance No. 583 on Initial PCA Manual
- MEF Prakas No. 928 on Temporary Importation
- GDCE guidance No. 437 on SAD Review/Audit for Front line officer

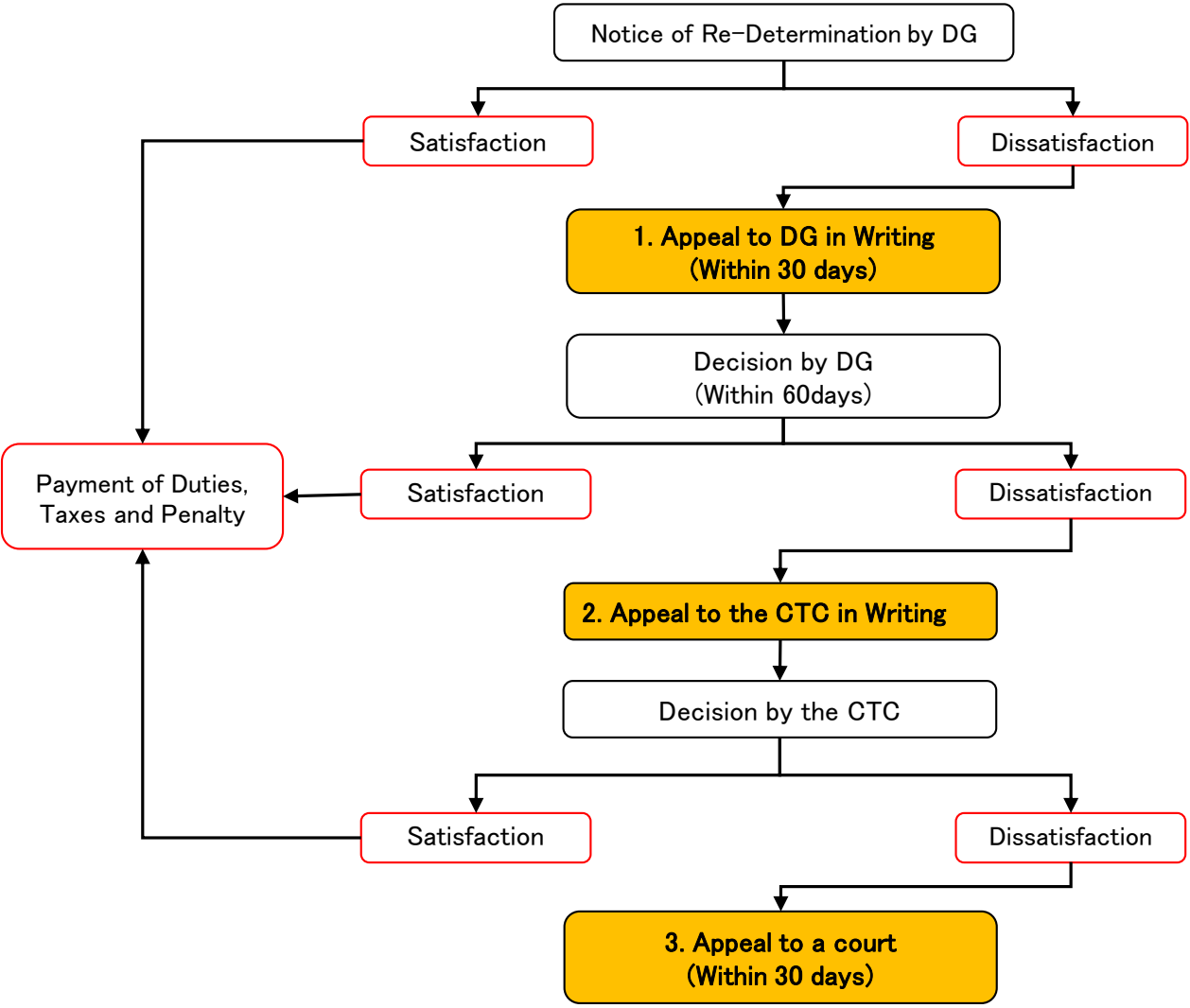
3-Legal Support (Cont.)

-Voluntary Declare

A person, importer/exporter or his agent may make a **voluntary declaration** to Customs of additional duties, taxes or other fees **without penalties or fines** if such a declaration is made to Customs **within one year** of the date of registration of the original customs declaration (See **Point C of Article 18** of the Law on Customs).

-Appeal Against Re-determination

Appeal Procedures



Note
DG: Director General of GDCE
CTC: Customs Tariff Committee
assigned by Anukret
See Article 24 of the Law on Customs

4-Right of Auditor and Auditee

A) Right of Auditor:

- Enter and perform a field audit at any time (normally 06:00 AM to 06:00 PM) at an auditee's premises or places where documents, record or other information are kept.
- Audit on imported and exported goods, business records, business systems and commercial data related to Customs.
- Inquiry the auditee about unclear points on such documents, records, and other information and request the auditee to present more detailed documents such as accounting voucher.

Right of Auditor: (Continue)

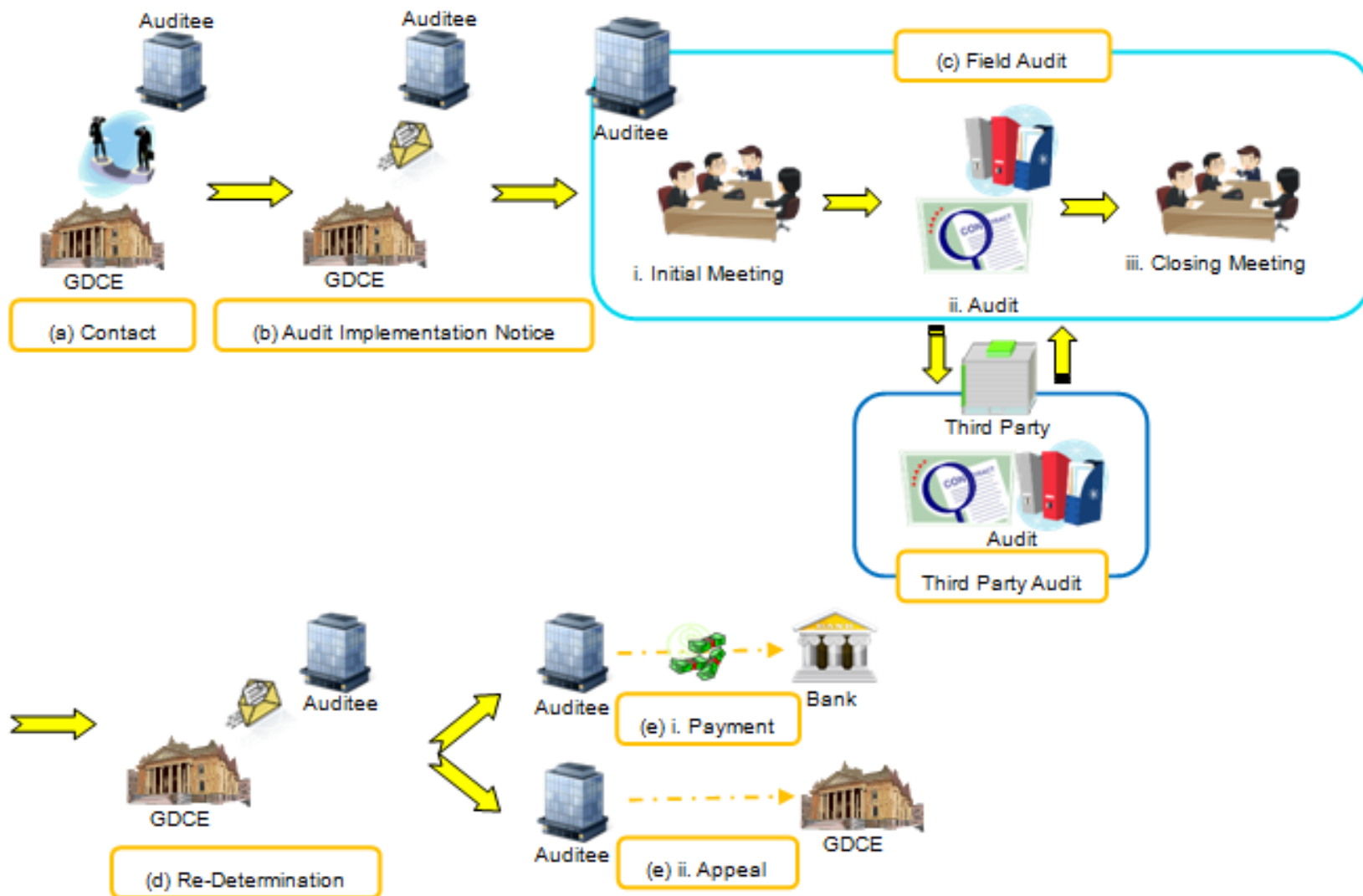
- Temporary keep/Rental auditee's books and records (PCA Form 7).
- Obtain information from Other Government Agency-OGA
- Issue a Re-determination Notice.
- Apply measures to deal with administrative offense in accordance with the provision of the law on Customs.
- Initiate enforcement measures such as the sealing of place of business or space, if
 - Auditor remain unable to enter the place or space that is suspected keeping books, records, and other documents and goods.
 - There are indicated an act of crime has been committed

B) Right of Auditee:

- To request the PCA officers to show their ID cards and the Notification on auditing.
- To refuse the auditing if the decision on auditing does not comply with the provisions of the law;
- To lodge complaints and denunciations related to the breach of law by PCA officers during the course of an auditing;
- To request explanations on the minutes of audit conclusions and on the proposal measures prepared by the PCA officers;
- To object to the decision by writing to the Director General of Customs within 30 days from the date auditees receive the Notice of the re-determination, according to article 24 of the Law on Customs;
- To request the customs to compensate for damages caused by any unlawful manner as the results of audit.

5- Flow of PCA

Flow of Post-Clearance Audit



5-1 Notification Letter

- Send notification letter on PCA to Trader within 2 weeks before visiting date.
- **During sending:**
 - explain and request trader to prepare the need of documents,
 - Tell to trader who will be Customs Audit Can work with,
 - Who is the contacting staff and Telephone number,
 - The location of company.

5-2 Pre-Audit

- Pre-meeting at local PCA unit
- Preparation of Statistic figure, documents related,
- Find out the suspicious points
- Prepare questionair to ask

5-3 File Audit

- Show the PCA mission letter,
- First meeting and provide short presentation on Law and regulation related PCA mechanism,
- Request Auditee to
 - Explain the company structure or Flow of document
 - Show related documents and Ask suspicious points
 - Explain further in case of unclear
 - Show further related documents
- Warehouse Inspection
- Request to keep/rental booking record

5-4 Result of Audit

- Issue a temporary result (Form 8),
- Issue a comparison Table,
- Final meeting to explain a result of PCA,
- Minuts of meeting,
- Issue Customs offense record.

5-5 Paper work after Audit

- PCA result's report,
- Process documents for terminated the case,
- GDCE issues decision letter,
- Follow up the case
- TCMS Updated (Rank of Trader)

6- Vision

- Extension of PCA Coverage
- Strengthening Risk Selectivity Criteria for PCA Selection
- Strengthening Knowledge of PCA officers
- Continuing Awareness Program on PCA to Private Sector such as Seminar/Workshop or PCA Brochures....
- Strengthening the information sharing among internal and External Customs.

Q & A?

Thank You for Your Attention!

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