

# ENFORCEMENT DECREE OF THE CUSTOMS ACT

Wholly Amended by Presidential Decree No. 17048, Dec. 29, 2000  
Amended by Presidential Decree No. 17166, Mar. 27, 2001  
Presidential Decree No. 17157, Mar. 27, 2001  
Presidential Decree No. 17320, Jul. 30, 2001  
Presidential Decree No. 17425, Dec. 15, 2001  
Presidential Decree No. 17467, Dec. 31, 2001  
Presidential Decree No. 17602, May 13, 2002  
Presidential Decree No. 17833, Dec. 30, 2002  
Presidential Decree No. 18039, jun. 30, 2003  
Presidential Decree No. 18074, Jul. 30, 2003  
Presidential Decree No. 18086, Aug. 21, 2003  
Presidential Decree No. 18136, Nov. 20, 2003  
Presidential Decree No. 18333, Mar. 29, 2004  
Presidential Decree No. 18493, Jul. 29, 2004  
Presidential Decree No. 18530, Aug. 30, 2004  
Presidential Decree No. 18624, Dec. 30, 2004  
Presidential Decree No. 18903, jun. 30, 2005  
Presidential Decree No. 19478, May 22, 2006  
Presidential Decree No. 19513, jun. 12, 2006  
Presidential Decree No. 19507, jun. 12, 2006  
Presidential Decree No. 19563, jun. 29, 2006  
Presidential Decree No. 19993, Apr. 5, 2007  
Presidential Decree No. 20438, Dec. 13, 2007  
Presidential Decree No. 20516, Dec. 31, 2007  
Presidential Decree No. 20624, Feb. 22, 2008  
Presidential Decree No. 20720, Feb. 29, 2008  
Presidential Decree No. 21305, Feb. 4, 2009  
Presidential Decree No. 21634, Jul. 22, 2009  
Presidential Decree No. 22086, Mar. 26, 2010  
Presidential Decree No. 22151, May 4, 2010  
Presidential Decree No. 22467, Nov. 2, 2010

Presidential Decree No. 22493, Nov. 15, 2010  
Presidential Decree No. 23127, Sep. 7, 2011  
Presidential Decree No. 23488, Jan. 6, 2012  
Presidential Decree No. 23602, Feb. 2, 2012  
Presidential Decree No. 23759, May 1, 2012  
Presidential Decree No. 23827, jun. 5, 2012  
Presidential Decree No. 23845, jun. 7, 2012  
Presidential Decree No. 24441, Mar. 23, 2013  
Presidential Decree No. 24697, Aug. 27, 2013  
Presidential Decree No. 24825, Nov. 5, 2013  
Presidential Decree No. 25224, Mar. 5, 2014  
Presidential Decree No. 25279, Mar. 24, 2014  
Presidential Decree No. 25495, Jul. 21, 2014  
Presidential Decree No. 25523, Jul. 28, 2014  
Presidential Decree No. 25751, Nov. 19, 2014  
Presidential Decree No. 25836, Dec. 9, 2014  
Presidential Decree No. 25898, Dec. 30, 2014  
Presidential Decree No. 26089, Feb. 6, 2015  
Presidential Decree No. 26473, Aug. 3, 2015  
Presidential Decree No. 26516, Sep. 9, 2015  
Presidential Decree No. 26669, Nov. 27, 2015  
Presidential Decree No. 26791, Dec. 30, 2015  
Presidential Decree No. 26830, Dec. 31, 2015  
Presidential Decree No. 26858, Jan. 6, 2016  
Presidential Decree No. 26957, Feb. 5, 2016  
Presidential Decree No. 27129, May 10, 2016  
Presidential Decree No. 27300, jun. 30, 2016  
Presidential Decree No. 27464, Aug. 29, 2016  
Presidential Decree No. 27472, Aug. 31, 2016  
Presidential Decree No. 27793, Jan. 17, 2017  
Presidential Decree No. 27952, Mar. 27, 2017  
Presidential Decree No. 27958, Mar. 27, 2017  
Presidential Decree No. 27970, Mar. 29, 2017  
Presidential Decree No. 27972, Mar. 29, 2017  
Presidential Decree No. 28211, Jul. 26, 2017  
Presidential Decree No. 28443, Nov. 28, 2017

Presidential Decree No. 28642, Feb. 13, 2018

Presidential Decree No. 28864, May 8, 2018

Presidential Decree No. 29530, Feb. 12, 2019

## **Article 1 (Purpose)**

The purpose of this Decree is to prescribe matters delegated by the Customs Act and matters necessary for the enforcement thereof.

## **Article 1-2 (Collection of Internal Taxes, etc. in Arrears by Head of Tax Office)**

(1) In order for the head of a tax office having jurisdiction over the place of domicile of a person liable to pay duties (in cases of a corporation, the seat of the head office or the principal office as indicated in the register of such corporation) to collect a value-added tax, local consumption tax, individual consumption tax, liquor tax, education tax, traffic, energy and environment tax, and special rural development tax (hereinafter referred to as "internal taxes, etc." and inclusive of surcharges, additional duties, and expenses for disposition on default) in arrears, under Article 4 (2) of the Customs Act (hereinafter referred to as the "Act"), a defaulter shall fall under all of the following requirements: Provided, That where the raising of an objection, request for examination, request for adjudication, or administrative litigation under the Act is pending, where he/she has received a decision on authorization for a rehabilitation plan under Article 243 of the Debtor Rehabilitation and Bankruptcy Act, or where disposition on default, such as an attachment of property, is being taken or postponed, the head of a customs office shall not request the head of a tax office to collect internal taxes, etc. in arrears:

1. A defaulter has paid customs duties but has failed to pay internal taxes, etc.;
2. Deleted; <by Presidential Decree No. 27952, Mar. 27, 2017>
3. The total amount of internal taxes, etc. in arrears has exceeded ten million won.

(2) Where the head of a customs office requests the head of a tax office to collect internal taxes, etc. of a defaulter falling under the requirements referred to in paragraph (1), the head of the customs office shall request the head of the relevant tax office to collect such internal taxes, etc. in arrears in writing, mentioning matters concerning the collection of internal taxes, etc. of the defaulter, as prescribed by the Commissioner of the Korea Customs Service, following a resolution passed by a customs duties arrearages adjustment committee under Article 45 of the Act and shall notify the relevant defaulter of the fact.

(3) Where the head of a tax office requested to collect internal taxes, etc. in arrears pursuant to paragraph (2) has collected such internal taxes, etc. in arrears, he/she shall notify the head of a customs office who requested collection, of the details of the collection thereof, and where reasons, such as the commencement of appeal procedure for, or rehabilitation procedure for, internal taxes, etc. in arrears, or the unknown whereabouts of a defaulter, make further procedure for disposition on default impracticable, the head of the tax office shall provide a notification and notice to the head of the customs office who

requested collection and a defaulter.

**Article 1-3 (Procedures for and Methods of Responding to Inquiries concerning Interpretation of the Customs Act)**

(1) In response to any inquiry concerning an interpretation of the Act, the Minister of Strategy and Finance and the Commissioner of the Korea Customs Service shall make a reply in accordance with the interpretation made in accordance with the standards for interpretation prescribed in Article 5 of the Act.

*<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

(2) The Commissioner of the Korea Customs Service shall forward to the Minister of Strategy and Finance a copy of the reply sent as prescribed in paragraph (1) by the end of the month following the month in which the enforcement date of the relevant document falls. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

(3) Where the Commissioner of the Korea Customs Service deems an inquiry referred to in paragraph (1) falls under any subparagraph of Article 9-3 (1) of the Enforcement Decree of the Framework Act on National Taxes, he/she shall request the Minister of Strategy and Finance to make an interpretation, stating his/her opinion.

(4) Where the Commissioner of the Korea Customs Service dissents from an interpretation made by Minister of Strategy and Finance pursuant to paragraph (3), he/she may request a reinterpretation, stating the reason therefor.

(5) An inquiry concerning interpretations of the Act submitted to the Minister of Strategy and Finance shall be forwarded to the Commissioner of the Korea Customs Service and the relevant civil petitioner shall be informed of such fact: Provided, That the Minister of Strategy and Finance may directly reply thereto in any of the following cases and a copy of the reply shall be forwarded to the Commissioner of the Korea Customs Service in such cases:

1. In cases of an inquiry that requires a deliberation by the Examination Committee on Established Rules for National Taxes provided in Article 18-2 of the Framework Act on National Taxes as such inquiry falls under any subparagraph of Article 9-3 (1) of the Enforcement Decree of the Framework Act on National Taxes;
2. In cases of an inquiry on a matter that has been re-inquired concerning an interpretation of the Act made by the Commissioner of the Korea Customs Service, accompanied by the reply from the Commissioner (excluding matters related to a factual judgment);
3. In cases where an interpretation made by the Minister of Strategy and Finance is required following a new enactment or amendment of the Act.

(6) Where the Commissioner of the Korea Customs Service has a question about the interpretation of any treaty on customs duties to which the Republic of Korea has acceded, he/she shall request the Minister of Strategy and Finance to make an interpretation thereof, stating his/her opinion. In such cases, the Minister of Strategy and Finance may inquire such interpretation of the relevant international organization.

(7) Except as otherwise prescribed in paragraphs (1) through (6), matters necessary for responding to inquiries concerning interpretations of the Act shall be prescribed by Ordinance of the Ministry of Strategy and Finance.

#### **Article 1-4 (Calculation of Time Limits)**

(1) "Day prescribed by Presidential Decree" in Article 8 (3) of the Act means a day determined by the Commissioner of the Korea Customs Service on which it is deemed impractical to make normal payment of customs duties due to the closing of financial institutions (limited to the national treasury agencies of the Bank of Korea and financial institutions which are national treasury receipt agencies; hereinafter the same shall apply) or postal service offices or on other inevitable grounds. *<Amended by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 23602, Feb. 2, 2012>*

(2) When it is impracticable to make a declaration, an application, approval, permission, acceptance, delivery, notice, notification, payment, etc. under the provisions of the Act by the deadline due to a shutdown of the operation of the Comprehensive Customs Duties Information Network of Korea or electronic data-processing equipment under Article 327 of the Act, which is caused by a power failure, a program error, or the abnormal operation of the electronic data-processing equipment in the Bank of Korea (including its branch offices) or postal service offices, or on other grounds prescribed by the Commissioner of the Korea Customs Service, the day following the day on which the breakdown of the relevant Comprehensive Customs Duties Information Network of Korea or electronic data-processing equipment is repaired into normal operation pursuant to Article 8 (4) of the Act shall be the deadline. *<Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 21305, Feb. 4, 2009>*

#### **Article 1-5 (Monthly Payment)**

(1) Any person who intends to pay monthly the amount of his/her customs duties in a lump sum (hereinafter referred to as "monthly payment"), whose the time limit for payment falls in the same month under Article 9 (3) of the Act, shall file an application, accompanied by documents prescribed by the Commissioner of the Korea Customs Service, including a document that includes the record of his/her payment of customs duties and the record of his/her exports and imports of goods, etc. with the head of the relevant customs office for the approval thereof.

(2) Where any person who files an application for the approval of the monthly payment in accordance with paragraph (1) meets the requirements prescribed by the Commissioner of the Korea Customs Service under Article 9 (3) of the Act, the head of the relevant customs office shall grant the approval thereof. In such cases, the effective period of approval shall be the period from the date of approval to the last day of the month including the date when two years pass from the date of approval. *<Amended by Presidential Decree No. 22086, Mar. 26, 2010>*

(3) Deleted. *<by Presidential Decree No. 27952, Mar. 27, 2017>*

(4) Where any person liable to pay customs duties falls under each of the following subparagraphs, the head of the relevant customs office may revoke his/her approval of the monthly payment referred to in paragraph (2). In such cases, with respect to the amount of customs duties on which a declaration for duty

payment is filed for their monthly payment, the head of the relevant customs office shall serve a notice about the payment of such customs duties for a fixed time limit for payment not exceeding 15 days:

1. If he/she fails to pay the customs duties within 15 days from the date on which the payment deadline expires;
2. If he/she, as a person liable to pay customs duties who has obtained approval of the monthly payment, fails to meet the requirements prescribed by the Commissioner of the Korea Customs Service in accordance with Article 9 (3) of the Act;
3. If he/she is recognized by the head of the relevant customs office to have difficulty in making monthly payments due to business closure, a serious crisis in business management, bankruptcy adjudication, corporation dissolution, etc.

(5) A person who intends to renew approval granted under paragraph (2) shall file an application for renewal of approval, accompanied by the documents prescribed in paragraph (1), by one month before the expiration date of the effective period. *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>*

(6) The head of the relevant customs office shall inform, in advance, each person who has obtained approval under paragraph (2) of the fact that he/she should file an application for renewal of approval by no later than one month prior to the expiration date of the effective period of the approval if he/she intends to renew such approval and the renewal procedures, by no later than two months prior to the expiration date of the effective period of the approval by text messaging the aforesaid information to a mobile phone, through e-mail, facsimile, or telephone, or by a document, etc. *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*

## **Article 2 (Extension of Time Limits due to Natural Disasters, etc.)**

(1) "Other grounds prescribed by Presidential Decree" in Article 10 of the Act means any of the following cases: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where property is severely damaged by war, fire, disaster or robbery;
2. Where a considerable operating loss is incurred;
3. Where the business is in a serious crisis;
4. Where the head of the relevant customs office recognizes the existence of a cause corresponding to the provisions of subparagraphs 1 through 3.

(2) The head of the relevant customs office shall extend the time limit for payment under Article 10 of the Act according to the standards set by the Commissioner of the Korea Customs Service.

(3) Any person who intends to get his/her time limit for payment extended under Article 10 of the Act shall file an application stating the following matters with the head of the relevant customs office prior to the expiration of his/her time limit for payment:

1. The name, domicile and firm name of the person liable for duty payment;
2. The amount of customs duties whose time limit for payment is intended to get extended, the date on which a declaration is filed on the relevant goods, the number of such declaration and the names, standard, quantity and price of the relevant goods;

3. Reasons for extending the time limit for payment and an extended period.

(4) When the head of the relevant customs office extends payment time limit for duty in accordance with Article 10 of the Act, he/she shall serve a duty payment notice on a person liable for duty payment under Article 39 of the Act.

(5) Deleted. <by Presidential Decree No. 27952, Mar. 27, 2017>

(6) When any person liable for duty payment whose time limit is extended under Article 10 of the Act falls under any of the following subparagraphs, the head of the relevant customs office may cancel the extension of the time limit for his/her duty payment:

1. When he/she fails to pay customs duties within a fixed time limit;
2. When he/she deems it no longer necessary to extend his/her time limit for payment after the value of his/her property has risen and circumstances surrounding him/her have changed;
3. When the collection of the total amount of his/her customs duties is deemed impracticable, due to the adjudication of bankruptcy against him/her or the dissolution of his/her corporation or for other reasons.

(7) When the head of the relevant customs office cancels the extension of payment time limit for duty under paragraph (6), he/she shall serve a duty payment notice as prescribed in Article 39 of the Act for a fixed time limit for duty payment not exceeding 15 days. <Amended by Presidential Decree No. 24373, Feb. 15, 2013>

### **Article 3 (Period for Keeping Declaration-Related Documents)**

(1) "Period prescribed by Presidential Decree" in Article 12 of the Act means a period prescribed in the following classifications: <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

1. Any of the following documents: Five years from the date on which the relevant declaration is accepted:

- (a) Import declaration completion certificate;
- (b) Contracts concerning import transactions or other documents substituting such contracts;
- (c) Contracts related to the trade of intellectual property rights under Article 237 or other documents substituting such contracts;
- (d) Data on the determination of prices of imported goods;

2. Any of the following documents: Three years from the date on which the relevant declaration is accepted:

- (a) Export declaration completion certificate;
- (b) Return declaration completion certificate;
- (c) Data on the determination of prices of exported or returned goods;
- (d) Contracts related to export transactions or returning transactions or other documents substituting such contracts;

3. Any of the following documents: Two years from the date on which the relevant declaration is accepted:

- (a) Data pertaining to the shipment of bonded cargoes;
- (b) Data pertaining to cargo manifesto;
- (c) Data pertaining to bonded transportation.

(2) Documents referred to in the subparagraphs of paragraph (1) may be retained by using the data transmission and storage media, including microfilms and optical disks prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 26089, Feb. 6, 2015>*

#### **Article 5 (Persons Liable for Duty Payment)**

"Commercial document prescribed by Presidential Decree" in Article 19 (1) 1 (b) of the Act means any of the following subparagraphs: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Invoice;
2. The bill of lading and the airway bill.

#### **Article 6 (Initial Date in Calculating Limitation Period for Assessing Customs Duties)**

In calculating the limitation period for assessing customs duties under Article 21 (1) of the Act, the day following the day on which an import declaration is filed shall be the day on which customs duties may be assessed: Provided, That in cases falling under each of the following subparagraphs, the day prescribed by the relevant subparagraph shall be the day on which customs duties are assessed: *<Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 23602, Feb. 2, 2012>*

1. In cases falling under subparagraphs 1 through 11 of Article 16 of the Act, the day following the day on which the fact occurs;
2. Where reduced or exempted customs duties are collected on the ground that obligations are not fulfilled, the day following the day on which the ground therefor arises;
3. In cases of foreign goods shipped into a bonded construction work site, the day following the day that arrives first between the following days:
  - (a) The day on which a report is filed on the completion of construction works under Article 211;
  - (b) The day on which the license period (referring to the extended license period if extended) expires under Article 176 of the Act;
4. The day following the day on which customs duties are collected on the grounds of excessive refund, unfair refund, etc.;
5. The day following the day on which the final value is filed, if the final value is filed after filing the provisional value in accordance with Article 28 of the Act (Provided, That, where no final value is filed within the period prescribed in Article 28 (2) of the Act, the day following the expiration date of the relevant period).

#### **Article 7 (Initial Date of Extinctive Prescription of Authority to Collect Customs Duties)**

(1) The day the authority to collect customs duties may be exercised under Article 22 (1) of the Act shall be each of the following days: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 24373, Feb. 15, 2013>*



1. With respect to customs duties paid by self-assessment under Article 38 of the Act, the day following the day 15 days elapse from the day an import declaration is accepted: Provided, That in cases of the monthly payment referred to in Article 1-5, such day shall be the day following the day the payment time limit expires;

1-2. With respect to customs duties paid in accordance with Article 38-2 (4) of the Act, the day after the day following the day an application is filed for a revision with respect to the deficient amount of customs duties;

2. With respect to customs duties paid under Article 38-3 (1) of the Act, the day after the day following the day an amended declaration is filed;

3. With respect to customs duties assessed by a duty assessment notice under Article 39 of the Act, the day following the day 15 days elapse from the day a duty payment notice is served;

4. With respect to customs duties paid under Article 253 (3) of the Act, the day following the day 15 days elapse from the day an import declaration is filed;

5. With respect to customs duties assessed by a duty payment notice under other statutes, the day following the day the time limit for payment expires, if such payment time limit is set.

(2) The day the right to request a refund of customs duties may be exercised under Article 22 (2) of the Act shall be each of the following days: <Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>

1. Where customs duties are refunded upon an application for rectification under Article 38-3 (6) of the Act, the day a decision of rectification is made;

2. Where customs duties are refunded after they are found to have been paid erroneously or in double, the day such customs duties are paid;

3. Where customs duties assessed on goods, etc. which are different from terms of a contract under Article 106 (1) of the Act are refunded, the day an export declaration on the relevant goods is accepted or a report is made on the shipment of the relevant goods into a bonded factory;

3-2. Where customs duties assessed on goods which are disposed of, destroyed or lost, changed qualitatively or damaged under Article 106 (3) or (4) of the Act are refunded, the day the relevant goods are disposed of, destroyed or lost, changed qualitatively or damaged;

3-3. Where custom duties on goods for private use which are exported in original conditions pursuant to Article 106-2 (1) of the Act are refunded, the day on which an export declaration is accepted: Provided, That in cases of goods on which the export declaration is omitted, it shall be the day they are loaded onto the means of transportation;

3-4. Where any person who sells goods in any general bonded area intends to get customs duties refunded in accordance with Article 199-2 of the Act and Article 216-5 (2) of this Decree, the day documents necessary to be refunded under the respective provisions are submitted;

4. Where an import declaration or an import declaration prior to port entry is withdrawn or rejected under Article 250 of the Act after customs duties have been paid following the import declaration or the import declaration prior to port entry, the day the import declaration or the import declaration prior to port entry is withdrawn or rejected;

5. Where customs duties are refunded pursuant to the amended Act after the customs duties have been legally paid, the day such amended Act enters into force.

**Article 8 Deleted.** <by Presidential Decree No. 21305, Feb. 4, 2009>

**Article 9 (Appraisal of Security)**

(1) The appraisal of security provided for in Article 24 (1) 2 and 3 of the Act shall be made in accordance with the following subparagraphs: <Amended by Presidential Decree No. 24697, Aug. 27, 2013>

1. Securities that have been traded among securities listed on the securities market established by the Exchange under the Financial Investment Services and Capital Markets Act: Final quotations of the securities published on the preceding day of the day when they are provided as security;

2. Securities other than those of subparagraph 1: Values calculated by applying mutatis mutandis Article 58 (1) 2 of the Enforcement Decree of the Inheritance Tax and Gift Tax Act on the preceding day of the day when they are provided as security.

(2) The appraisal of security under Article 24 (1) 5 and 6 of the Act shall be made according to the following subparagraphs: <Amended by Presidential Decree No. 27472, Aug. 31, 2016>

1. Appraisal of land or buildings: Values appraised by applying mutatis mutandis Article 61 of the Inheritance Tax and Gift Tax Act;

2. Factory foundations, mining foundations, ships, aircraft or construction machinery: Values appraised by an appraisal business entity under the Act on Appraisal and Certified Appraisers or standard market prices prescribed in the Local Tax Act.

**Article 10 (Procedures for Offering Security)**

(1) Any person who intends to offer security against his/her customs duties shall furnish a security-offering document stating the kind, quantity and amount of such security, and reasons therefor to the head of the relevant customs office.

(2) Any person who intends to offer money as security shall pay it to a financial institution designated by the Commissioner of the Korea Customs Service among the financial institutions referred to in subparagraphs of Article 11 (1) of the Enforcement Decree of the Management of the National Funds Act and append a written confirmation of such fact to a security-offering document. <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

(3) Any person who intends to offer government bonds or municipal bonds as security shall append a power of attorney of a person who can exercise all the powers on the relevant bonds to the security-offering document. <Amended by Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 29530, Feb. 12, 2019>

(4) Any person who intends to offer securities under Article 24 (1) 3 of the Act as security shall append a written confirmation of securities granted by the issuer of the relevant securities and a power of attorney of a person who can exercise all the powers on the relevant securities to the security-offering document.

*<Amended by Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 29530, Feb. 12, 2019>*

(5) Any person who intends to offer an guarantee insurance policy on duty payment under Article 24 (1) 4 of the Act or an letter of guarantee for payment of customs duties of guarantors approved by the head of a customs office pursuant to subparagraph 7 of the same paragraph as security shall append the guarantee insurance policy on duty payment or the letter of guarantee for payment of customs duties to the security-offering document. In such cases, the term of guarantee or insurance which becomes security shall be the period requiring the relevant security, on condition that it shall be the term determined by the Commissioner of the Korea Customs Services if the time limit for payment has not been determined.

*<Amended by Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 29530, Feb. 12, 2019>*

(6) Any person who intends to offer land under Article 24 (1) 5 of the Act or factories, factory foundations, mining foundations, ships, aircraft or construction machinery under subparagraph 6 of the same paragraph as security shall append documents required for the establishment of mortgage to the security-offering document. In such cases, the head of a customs office shall take measures for registering or recording the establishment of mortgage.

*<Amended by Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 29530, Feb. 12, 2019>*

(7) Any person who intends to offer buildings, factory foundations, mining foundations, ships, aircraft or construction machinery insured pursuant to paragraph (6) as security shall furnish an insurance policy thereof. In such cases, the term of such insurance shall be obtained by adding at least 30 days to the period requiring the security.

*<Amended by Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 29530, Feb. 12, 2019>*

(8) The amount of the security intended to be offered shall be equivalent to the amount of customs duties payable: Provided, That where the amount of such customs duties is not determined, the Commissioner of the Korea Customs Service shall determine such amount.

(9) In cases falling under each of the following subparagraphs, the head of the relevant customs office shall serve the duty payment notice on any person liable for duty payment under Article 39 of the Act:

1. Where a person who intends to offer security for payment of customs duties fails to do so within ten days from the day on which the amount of such security was fixed;
2. Where a person liable for duty payment fails to offer security under Article 248 (2) of the Act within ten days from the day on which an import declaration was filed.

#### **Article 11 (Comprehensive Security)**

(1) Any person who intends to offer comprehensive security in accordance with Article 24 (4) of the Act shall file with the head of the relevant customs office an application describing the period, the maximum amount of such comprehensive security, the security offerer's export and import performance of the preceding year and the estimated quantity of export and import goods.

(2) Requirements for offering the comprehensive security, the kinds of such security and other necessary matters shall be determined by the Commissioner of the Korea Customs Service.

#### **Article 12 (Change in Security)**

(1) Any person who offers security for payment of customs duties shall, when the head of the relevant customs office notifies him/her of any increase or any change in such security as the security's value falls, act promptly according to such notification.

(2) Any person who furnishes security for payment of customs duties shall, when he/she intends to modify the security, the guaranteed bank, the guaranteed insurance company, the date for payment of customs duties guaranteed by the bank or the period for payment of customs duties guaranteed by insurance, obtain approval therefor from the head of the relevant customs office.

#### **Article 13 (Request for Rescission of Security)**

Any person who intends to have his/her security rescinded shall file with the head of the relevant customs office a written application describing the kind, quantity and amount of security, the date of offering security and reasons for rescission, appended by a document attesting the reasons for rescission: Provided, That where the head of the relevant customs office may be able to verify the reasons for rescission of security, such as the fact of ex post facto payment of customs duties, by using the electronic data processing equipment of the Comprehensive Customs Duties Information Network of Korea referred to in Article 327 of the Act, documents, etc. attesting the pertinent reasons determined and publicly announced by the Commissioner of the Korea Customs Service may not be submitted. <Amended by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 21305, Feb. 4, 2009>

#### **Article 14 (Sale of Security)**

(1) The head of the relevant customs office shall, when he/she intends to sell any security furnished, publish the domicile, the name of the security furnisher, the kind and quantity of the security, reasons for sale, sale place as well as sale date and time and other necessary matters.

(2) The head of the relevant customs office shall, when a person liable for duty payment pays customs duties and other fee by one day before the sale is scheduled, suspend the sale thereof.

#### **Article 15 (Value Declaration)**

(1) Any person who intends to file a value declaration under the main sentence of Article 27 (1) of the Act shall submit documents to the head of the relevant customs office, stating the following matters: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. Transactions involving importation;
2. The calculation of a customs value.

(2) Cases determined and publicly announced by the Commissioner of the Korea Customs Service, and cases falling under any of the following subparagraphs, all or some of the documents falling under the subparagraphs of paragraph (1) may be exempt from submission: <Newly Inserted by Presidential Decree No. 20624, Feb. 22, 2008>

1. Cases of repeatedly importing the same goods under the same conditions;
2. Cases where no other addable amounts to the value, which has been actually paid, or to be paid by a buyer for goods for sale to export to Korea, exist except for shipping charges to the port of entry and insurance premiums;
3. Other cases the Commissioner of the Korea Customs Service determines that there is no difficulty in determining a customs value.

(3) Where any persons who intend to file value declarations fall under paragraph (2) 1, the Commissioner of the Korea Customs Service may allow them to collectively file value declarations, under the main sentence of Article 27 (1) of the Act, for a certain period. <Newly Inserted by Presidential Decree No. 20624, Feb. 22, 2008>

(4) Any person who intends to file a value declaration prior to filing an import declaration on goods in accordance with the proviso to Article 27 (1) of the Act shall submit a report stating the reason therefor and the matters of each subparagraph of paragraph (1) to the head of the relevant customs office.

(5) The duty data to be submitted when a value declaration is filed under Article 27 (2) of the Act shall be as follows: Provided, That where the head of the relevant customs office deems it clear to determine a customs value in light of the transaction of the relevant goods and the method of determining such customs value, etc., part of such duty data may be omitted:

1. Invoice;
2. Contract;
3. Evidential documents showing the amount of various costs and the base for calculating such amount;
4. Other materials necessary for verifying contents of the value declaration.

#### **Article 16 (Declaration, etc. of Provisional Value)**

(1) "Cases prescribed by Presidential Decree" in the former part of Article 28 (1) of the Act means any of the following cases: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 27952, Mar. 27, 2017>

1. Where the price of goods (limited to the goods prescribed by Ordinance of the Ministry of Strategy and Finance), which is determined after the expiration of a certain period of time after the effectuation of transaction thereon considering the transaction practices, has yet to be determined as of the day on which an import declaration thereon is filed;
2. Where the amount that has to be adjusted in accordance with each subparagraph of Article 30 (1) of the Act is confirmed by document, etc. described in paragraph (2) that such amount may be determined after the expiration of a certain period of time from the day on which an import declaration thereon is filed;
- 2-2. Where an application for an advance ruling on the method for determining a customs value is filed under Article 37 (1) 3 of the Act;
- 2-3. Where the requirements prescribed by Ordinance of the Ministry of Strategy and Finance are fulfilled, as a transaction in which the transaction value of imported goods under Article 30 (1) of the

Act is expected to be adjusted to the arm's length price under Article 5 of the Adjustment of International Taxes Act, among the transactions between a buyer and a seller who are in any of the special relationship set forth in each subparagraph of Article 23 (1);

3. Where the head of the relevant customs office deems it inevitable to file a value declaration based on a provisional value declaration in light of contents of the contract involved and characteristics of the transaction involved.

(2) Any person who intends to file a provisional value declaration in accordance with paragraph (1) shall file such declaration with the head of the relevant customs office, stating the following matters, along with documents under each subparagraph of Article 15 (5): *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*

1. Matters falling under each subparagraph of Article 15 (1);
2. Details of transaction;
3. Reasons for the impossibility of determining a value;
4. A provisional value and a method for determination thereof;
5. Estimated time that a value is finally determined.

(3) Any person who has filed a value declaration based on a provisional value declaration shall file a final value (hereafter in this Article referred to as "final value") within a period fixed by the head of the relevant customs office up to two years taking into account the content, etc. of the transaction contract between the buyer and the seller. *<Amended by Presidential Decree No. 19993, Apr. 5, 2007>*

(4) Where the head of the relevant customs office deems that there exists an unavoidable reason making it impossible to determine a provisional value due to a revision of the transaction contract between the buyer and the seller, he/she may extend, upon a request from a person liable for duty payment, the period fixed pursuant to paragraph (3). In such cases, the period so extended cannot exceed two years beginning from the expiration date of the period fixed under paragraph (3). *<Amended by Presidential Decree No. 19993, Apr. 5, 2007>*

(5) Any person who intends to file a final value declaration in accordance with Article 28 (2) of the Act shall file such declaration with the head of the relevant customs office, stating the following matters, along with the data prescribed in Article 15 (5) 3 and 4: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*

1. The number of a provisional value declaration, the number of an import declaration and the date of declaration;
2. The name of goods and the date on which an import declaration is accepted;
3. The difference between the provisional value and the final value.

(6) Articles 33, 34 (3) through (5) and 50 through 55 shall apply mutatis mutandis where the difference between the amount of payment of customs duties by self-assessment by based on a provisional value declaration and that of customs duties paid based on a final value declaration is collected or refunded in accordance with Article 28 (4) of the Act. *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 23602, Feb. 2, 2012>*

#### **Article 16-2 (Publication of Declared Value for Imported Goods, etc.)**

(1) Where the Commissioner of the Korea Customs Service publishes the compiled data on the average declared values or quantities of imported goods under Article 29 (2) of the Act, he/she shall do so on the website of the Korea Customs Service. In such cases, the Commissioner of the Korea Customs Service shall also publish standards for selecting the imported goods to be published and the method of compiling data on the average declared values or quantities of the imported goods.

(2) The Commissioner of the Korea Customs Service shall not publish any of the following:

1. The trademarks and trade names of imported goods;
2. Matters on business secrets of each importer;
3. Other matters likely to substantially infringe on each importer's justifiable interests if disclosed.

(3) The imported goods that are comparable with the domestic goods under Article 29 (2) of the Act shall satisfy the following requirements:

1. They shall fall under the item code specified in the Harmonized System of Korea under Article 98;
2. There shall be at least two importers of the relevant imported goods.

#### **Article 17 (Scope of Goods Sold to be Exported to Korea)**

The goods sold to be exported to Korea under the main sentence of Article 30 (1) of the Act shall not include any goods falling under each of the following subparagraphs:

1. Goods imported free of charge;
2. Goods imported to be sold on consignment, whose sale price is determined through auction, etc.;
3. Goods imported to be sold in Korea on an importer's responsibility;
4. Goods imported by a branch office, etc. that is not a legally separate and independent company;
5. Goods imported under a lease agreement;
6. Goods imported on a free lease;
7. Goods, including industrial wastes, imported to be disposed of in Korea at the expense of the importer thereof.

#### **Article 17-2 (Scope, etc. of Purchase Commissions)**

(1) The purchase commissions under the proviso to Article 30 (1) 1 of the Act (hereinafter referred to "purchase commissions") shall be the amount payable by the buyer to his/her purchasing agent as consideration for services provided by the purchasing agent for the buyer abroad in connection with the purchase of the relevant imported goods.

(2) Where the costs other than the purchase commissions are included in the costs paid by a buyer to his/her purchasing agent, the relevant amount shall be deemed the purchase commission only in cases where the amount equivalent to the purchase commissions among the costs paid can be separately calculated.

(3) Where it is deemed necessary, the head of a customs office may request a buyer to submit the data concerning the purchase commissions.

### **Article 18 (Scope of Goods and Services Supplied without Compensation or at Reduced Price)**

"Goods and services prescribed by Presidential Decree" in Article 30 (1) 3 of the Act means any of the following goods and services supplied directly or indirectly by a buyer: <Amended by Presidential Decree No. 18903, Jun. 30, 2005; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011>

1. Materials, components, parts and similar goods combined with imported goods;
2. Tools, molds, dies and other similar goods used for the production of imported goods, which are prescribed by Ordinance of the Ministry of Strategy and Finance;
3. Goods used in the production process of imported goods;
4. Technology, plan, device, technical art and design for the production of imported goods: Provided, That those developed in Korea shall be excluded herefrom.

### **Article 18-2 (Distribution, etc. of Amount of Goods and Services Supplied Free of Charge or at Discounted Prices)**

Where the amount of goods and services supplied free of charge or at discounted prices under Article 30 (1) 3 of the Act (referring to the amount computed based on the actual transaction value; where goods and services produced in the Republic of Korea are supplied, such amount shall be computed with the exception of value-added tax) is added up, such amount shall be distributed in consideration of the following factors:

1. The ratio of goods actually imported to the total production of the relevant imported goods;
2. In cases where goods and services supplied are related to the production of goods other than the relevant imported goods, the ratio of the transaction value of the relevant imported goods to the total amount of transaction values of each produced goods (where goods other than the relevant imported goods are produced in the Republic of Korea, value-added taxes shall be excluded from transaction values).

### **Article 19 (Calculation of Royalty of Use of Right)**

(1) "Other rights similar thereto" in Article 30 (1) 4 of the Act means the following:

1. Legal rights such as copyright;
2. Production method and sale method as well as technical and operational information, etc. useful for business activities, which are not deemed legal rights, but economically valuable and kept secret with considerable efforts (hereinafter referred to as "business secret").

(2) The price for using the rights of patent, utility model, design, trademark and similar rights (excluding the price for any right to reproduce any specific device or original idea on other goods in Korea using imported goods in which such device or original idea is embodied; hereinafter referred to as "royalty"), which is to be added to the price paid or to be paid by the buyer of the relevant goods under Article 30 (1) of the Act shall be the amount which is paid directly or indirectly by the buyer according to the terms and conditions of transaction in relation to the relevant goods. <Amended by Presidential Decree No. 18903, Jun. 30, 2005>



(3) In applying paragraph (2), the royalty shall be deemed related to the relevant goods in cases falling under each of the following subparagraphs: <Amended by Presidential Decree No. 18903, Jun. 30, 2005>

1. If the royalty is paid for the right of patent, imported goods shall fall under each of the following goods:

(a) Goods produced using any patent or any invention;

(b) Goods produced using a patented method;

(c) Parts, raw materials and components of goods to be produced in Korea using the relevant patent, which are embodied with the relevant patent in whole or in part;

(d) Facilities and equipment, machinery and apparatus (including parts, etc. with major characteristics) designed suitable for the application of the patented method;

2. If the royalty is paid for the right of design, where the imported goods are the goods which express the relevant design or parts or components of goods to be produced in Korea using the relevant right of design and express the relevant design in whole or in part;

3. If the royalty is paid for the right of trademark, where the trademark is attached to the imported goods, or the trademark is attached to the imported goods after the slight processing such as diluting, mixing, classifying, simply assembling, repacking, etc.;

4. If the royalty is paid for a copyright, where the imported goods contain lyrics, melodies, pictures and computer software, etc.;

5. If the royalty is paid for the right of utility model or business secret, where such right of utility model or such business secret has a relationship corresponding to that of subparagraph 1 with the imported goods;

6. If the royalty is paid for other rights, where the relevant right has a relationship corresponding to the provisions governing the right most similar to the relevant right in light of right nature, from among the provisions of subparagraphs 1 through 5, with the imported goods.

(4) In applying paragraph (2), royalties paid with respect to computer software shall be deemed unrelated to magnetic tapes, magnetic disks, CD-ROMs and articles similar thereto (limited to those included in codes(hereinafter referred to as "HS code") 8523 on the Schedules of Tariff Rates of attached Table of the Act) on which computer software is recorded. <Amended by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

(5) In applying the provisions of paragraph (2), the royalty shall be deemed paid according to the conditions of transaction of the relevant goods in cases falling under each of the following subparagraphs:

1. Where a buyer pays the royalty to a seller to purchase imported goods;

2. Where a buyer pays the royalty to a person other than a seller to purchase imported goods according to an agreement between the buyer and the seller;

3. Where a buyer, upon permission of a person other than a seller for the use of a patent right, etc., allows such seller to use such patent right and pays the royalty to a person who is not the seller to purchase imported goods.

(6) Detailed matters concerning the calculation of the royalty other than the provisions of paragraphs (1) through (4) shall be determined by the Commissioner of the Korea Customs Service.

**Article 20 (Determination of Freight, etc.)**

(1) The freight and insurance bill as prescribed in Article 30 (1) 6 of the Act shall be calculated according to the statements of freight, insurance bill issued by the relevant businessman or documents in lieu thereof.

(2) Where it is impossible to calculate the freight and insurance bill under paragraph (1), such freight and insurance bill shall be calculated according to that prescribed by the Commissioner of the Korea Customs Service taking into account the transportation distance and method, etc.

(3) Where goods prescribed by the Commissioner of the Korea Customs Service are transported by aircraft, the freight and insurance bill thereof shall be calculated assuming that such goods are transported by other general transportation method than aircraft.

(4) Where the freight of goods falling under each of the following subparagraphs is considerably different from the normal freight, the Commissioner of the Korea Customs Service may make the normal freight prescribed by him/her as the freight of such goods, taking into account the transportation distance and methods, etc.:

1. Goods transported by the ship or aircraft of an importer;
2. Goods transported according to a maritime charter containing a special agreement on the freight and loading quantity (including cases where the actual loading quantity falls short of the specially agreed quantity);
3. Other goods transported under special conditions.

(5) The amount described in the main sentence of Article 30 (1) 6 of the Act means the cost borne by an importer to cover the arrival of a vessel loaded with the relevant goods at the port of entry and the unloading work of such goods.

(6) "Other indirect payments" in the main sentence other than each subparagraph of Article 30 (2) of the Act means payments falling under each of the following subparagraphs: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where the price for imported goods, upon a seller's request, is paid, in whole or in part, to a third person, the amount of such payment;
2. Where a buyer, who acts on behalf of a seller or a third person in pledging a maintenance bond under the transaction conditions of the relevant imported goods, gets the amount accruing therefrom discounted or pays separately costs involved in the maintenance bond, in whole or in part, the paid amount;
3. Cost involved in training or education conducted abroad, which is paid by a buyer under transaction conditions of imported goods;
4. Where a buyer pays financial expenses, etc. which are to be borne by a seller, the amount paid.

(7) If it is intended to deduct the interest accruing from the deferred payment of imported goods from the total amount which a buyer has paid or is to pay in accordance with Article 30 (2) 4 of the Act, the

relevant interest shall meet the following requirements:

1. The interest shall be separately counted from the amount paid or payable as a price for imported goods;
2. The interest shall be confirmed in a written contract;
3. The relevant goods shall be sold at a value specified in an import declaration and the interest rate is required not to exceed the level widely applied to such transaction effected at the time in a country where loans are extended.

#### **Article 21 (Scope of Limit on Disposal or Use)**

Where the disposal or use of goods is limited in accordance with Article 30 (3) 1 of the Act, the limit falling under each of the following subparagraphs shall be deemed included therein:

1. The limit that is made for the relevant goods to be used for specific purpose such as exhibition, charity and education, etc.;
2. The limit that is made for the relevant goods to be sold or rented only to specific persons;
3. The limit that is made to practically affect the price of the relevant goods.

#### **Article 22 (Limit, etc. not Affecting Transaction Value)**

(1) "Cases prescribed by Presidential Decree, such as where there is a restriction deemed by the head of a customs office as not practically affecting the transaction value" in the proviso to Article 30 (3) 1 of the Act means the existence of any of the following restrictions: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 26089, Feb. 6, 2015>*

1. The restriction imposed or required by Korean statutes or a disposition taken in accordance with Korean statutes;
2. The restriction on areas where imported goods are marketable;
3. The restriction deemed by the head of the relevant customs office as not practically affecting the price of imported goods.

(2) Cases where the determination of price of the relevant goods is affected by conditions or considerations which cannot be counted in terms of money under Article 30 (3) 2 of the Act, shall include any of the following cases:

1. Where the price of the relevant goods is determined on the condition that a buyer purchases a specific quantity of other goods from a seller;
2. Where the price of the relevant goods is determined depending on the price of other goods sold by a buyer to a seller;
3. Where the price of the relevant goods is determined on the condition that a seller receives a certain quantity of finished goods in return for supplying semi-finished goods to a buyer.

#### **Article 23 (Scope of Special Relationship, etc.)**

(1) "Special relationship prescribed by Presidential Decree" in Article 30 (3) 4 of the Act means any of the following cases: *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 24373, Feb. 15, 2013>*

1. Where the buyer and the seller are an executive officer or manager of their business;
  2. Where the buyer and the seller are legally in the same line of business;
  3. Where the buyer and the seller are in the employment relationship;
  4. Where any specified person holds or controls, directly or indirectly, at least five percent of the voting stocks of the buyer and the seller;
  5. Where either the buyer or the seller is in a position to direct or control the other legally or practically or one party controls directly or indirectly the other party;
  6. Where the buyer and the seller are controlled directly or indirectly by the same third person;
  7. Where the buyer and the seller jointly control directly or indirectly the same third person;
  8. Where the buyer and the seller are in a relationship by blood falling under any of the subparagraphs of Article 1-2 (1) of the Enforcement Decree of the Framework Act on National Taxes.
- (2) "Cases prescribed by Presidential Decree, such as where it is determined in a manner conforming to the normal pricing practices in the relevant industry" in the proviso to Article 30 (4) 4 of the Act means any of the following cases: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 26089, Feb. 6, 2015>

1. Where the value of the relevant goods is determined by pricing ordinarily adopted by the buyer and the seller having no special relationship;
  2. Where the value of the relevant goods is determined in a manner conforming to the normal pricing practices in the relevant industry;
  3. Where the value of the relevant goods is determined at the level of a price close to value prescribed by Ordinance of the Ministry of Strategy and Finance, which falls under any of the following values:
    - (a) The transaction value of the goods identical or similar to the relevant goods in terms of kind or quality, exported to a buyer of Korea who has no special relationship;
    - (b) The customs value of the goods of identical or similar to the relevant goods in terms of kind or quality, which is determined in accordance with Articles 33 and 34 of the Act.
- (3) In comparing the value of the relevant goods with the value referred to in paragraph (2) 3, the transaction channel and quantity of the relevant goods and the difference between the relevant goods and matters described in Article 30 (1) of the Act shall be considered.
- (4) Each person, who intends to apply the provisions of paragraph (2), shall provide data necessary to verify his/her qualification when he/she files a value declaration as prescribed by the Commissioner of the Korea Customs Service.

#### **Article 24 (Scope, etc. of Disapproval of Customs Value)**

- (1) "Cases prescribed by Presidential Decree" in Article 30 (4) of the Act means any of the following cases: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 26957, Feb. 5, 2016>
1. Where any value declared by a person liable for duty payment is substantially different from the value of the goods of the same kind or quality or the similar goods;

2. Where any value declared by a person liable for duty payment has substantially fluctuated although he/she has continued to import goods from the same supplier;
3. Where declared goods are crude oil, minerals, grains, etc., the international market prices of which are published, and the declared values are substantially different from their published international market prices;
- 3-2. Where declared goods are crude oil, minerals, grains, etc., the international market prices of which are not published, and when the value in a producing area of imported goods is surveyed by the Commissioner of the Korea Customs Service or by a person appointed by him/her, the declared value is substantially different from such surveyed value;
4. Where the previous value declared by a person liable for duty payment is substantially different from a new value declared by him/her after he/she changes his/her customer;
5. Cases prescribed by Ordinance of the Ministry of Strategy and Finance, similar to those of subparagraphs 1 through 4.

(2) When the head of the relevant customs office requests a person liable for duty payment to furnish data under Article 30 (4) of the Act, he/she shall provide such person with a written request, stating reasons therefor and the time required for furnishing such data.

(3) "Where it is impracticable to accept the value declared by him/her as the customs value on the grounds prescribed by Presidential Decree" in Article 30 (5) 3 of the Act, means any of the following cases: <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

1. Where data submitted by the person liable for duty payment fails to specifically represent the transaction relations of import goods;
2. Where other reasonable grounds exist to suspect the accuracy or truth of the declared value, such as being unable to verify the factual relations with respect to data submitted by the person liable for duty payment.

**Article 25 (Scope of Goods of Same Kind or Quality)**

"Goods of the same kind or quality" in Article 31 (1) of the Act means the goods identical to the relevant imported goods in terms of physical characteristics, quality and consumer credit with the former produced in the country which produces the latter (including any identical goods in all respect with the slight difference of their appearance).

**Article 26 (Scope of Similar Goods)**

"Similar goods" in Article 32 (1) of the Act means the goods produced in the country which produces the relevant imported goods, and the former, though not identical to the latter in all aspects, performs the same function as that of the latter and is similar to the latter in terms of characteristics and components to the point that the former can be used as an alternative of the latter.

**Article 27 (Domestic Sales Price, etc. of Imported Goods)**

(1) "Unit price of goods sold in Korea" in Article 33 (1) 1 of the Act means the unit price of goods sold in the first transaction effected after importation: Provided, That the price fixed in any of the following cases

shall not be deemed the unit price of goods sold in Korea: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where the first buyer is in a special relationship with a seller or an importer as prescribed in Article 23 (1);

2. Where the first buyer supplies such goods and services as prescribed in each subparagraph of Article 18 without compensation or at a reduced price to a seller or an importer in connection with the production and transaction of imported goods.

(2) In the application of Article 33 (1) 1 of the Act, the unit price of goods sold nearly at the same time when an import declaration thereon is filed shall be deemed the unit price of the relevant goods sold in a period during which the unit price of the relevant goods remains unchanged from that of the day on which such import declaration is filed: Provided, That the unit price of goods sold after the elapse of 90 days from the day on which such import declaration is filed, shall be excluded herefrom.

(3) "Goods of the same kind or quality" in Article 33 (1) 2 of the Act means the goods which belong to the category generally identical to that of the relevant imported goods and are produced by a specific industry or an industrial sector which produces the relevant imported goods.

(4) Profits and general expenses prescribed in Article 33 (1) 2 of the Act shall be treated as totals and calculated based on an accounting report compiled according to the generally recognized accounting principles and in accordance with the following classifications: <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

1. Where the rate of profits and general expenses calculated based on an accounting report compiled by a person liable for duty payment does not exceed 110/100 of the rate of profits and general expenses calculated in accordance with paragraph (5) or (7) (hereafter referred to as "rate of the same kind or quality" in this Article): Profits and general expenses submitted by the person liable for duty payment;

2. In cases other than those falling under subparagraph 1: Profits and general expenses calculated by applying the rate of the same kind or quality.

(5) The head of a customs office shall select the imported goods of the same kind or quality taking the characteristics, trade volume, etc. of the relevant imported goods into consideration, as prescribed by the Commissioner of the Korea Customs Service, and calculate the rate of the same kind or quality based on the average value of the profits and general expenses added when they are sold in the Republic of Korea. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

(6) The head of a customs office shall notify, in writing, a person liable for duty payment of the rate of the same kind or quality and the calculation basis thereof. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

(7) If a person liable for duty payment deems the rate of the same kind or quality calculated by the head of the relevant customs office is unreasonable, he/she may file an objection to the Commissioner of the Korea Customs Service, within 30 days from the date of receiving the notification under paragraph (6), through the head of the customs office where his/her imported goods have passed or will pass customs

clearance. In such cases, the Commissioner of the Korea Customs Service may recalculate the rate of the same kind or quality after examining the data submitted by the relevant person liable for duty payment and those of relevant industries or organizations. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 28642, Feb. 13, 2018>

**Article 28 (Expenses Incurred in Assembling and Processing Goods and Price thereof)**

Expenses incurred in assembling and processing goods and the price thereof prescribed in subparagraph 1 of Article 34 of the Act shall be deemed to include the amount prescribed in Article 30 (1) 2 of the Act, and where costs required to develop any technology, plan, device, design and technical art in Korea is borne by a producer, such costs shall be also deemed included therein. <Amended by Presidential Decree No. 18903, Jun. 30, 2005>

**Article 29 (Determination of Customs Value Based on Reasonable Standards)**

(1) The determination of any customs value under Article 35 of the Act shall be made according to the following methods: <Amended by Presidential Decree No. 24373, Feb. 15, 2013>

1. The method of flexibly interpreting and applying the requirement prescribed in Article 31 (1) 1 of the Act in the application of Article 31 or 32 of the Act;
2. The method of flexibly interpreting and applying the requirement that goods be sold in the same condition as that of the imported goods in the application of Article 33 of the Act;
3. The method of determining a customs value based on a customs value of the goods of the same kind or quality or similar goods, which is deemed a customs value under Article 33 or 34 of the Act;
4. The method of not applying the proviso to Article 27 (2);
5. Other methods deemed reasonable in the light of the substance and common practices of transaction.

(2) The determination of any customs value under Article 35 of the Act shall not be based on the following prices:

1. Domestic sale price of goods produced in Korea;
2. Price determined according to the criteria that the highest price among selectable prices ought to be a customs value;
3. Domestic sale price of goods in an exporting nation;
4. Price determined based on the production cost using the method other than the method prescribed in Article 34 of the Act with respect to the goods of the same kind or quality or similar goods;
5. Price of goods exported to a nation other than Korea;
6. Minimum dutiable standard price established in advance for specific imported goods;
7. Arbitrary or fictitious price.

(3) The Commissioner of the Korea Customs Service may prescribe basic data necessary to determine the customs value of each of the following goods, the method of calculating the amount thereof and other detailed matters necessary to determine the customs value:

1. Goods which are qualitatively changed or damaged before an import declaration thereon is filed;

2. Personal effects of travelers or crew, postal materials, consignments and unaccompanied goods;
3. Leased imported goods;
4. Used goods;
5. Goods deemed foreign goods under the proviso to Article 188 of the Act;
6. Illegal goods;
7. Other goods deemed by the Commissioner of the Korea Customs Service that they are feared to cause confusion in determining a customs value thereon.

### **Article 30 (Application of Additional Rates or Deduction Rates)**

(1) The Commissioner of the Korea Customs Service or the head of the relevant customs office may set ordinarily recognized additional rates or deduction rates and apply such rates to the relevant goods, when deemed necessary to ensure conveniences for persons liable for duty payment and expedite customs clearance in the application of Article 30 (1) or 33 (1) or (3) of the Act. <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

(2) The additional rates and deduction rates referred to in paragraph (1) shall be applied only when any person liable for duty payment files a request therefor.

### **Article 31 (Advance rulings on Method for Determining Customs Value)**

(1) Each applicant, who intends to request an advance ruling on the method for determining a customs value in accordance with Article 37 (1) of the Act, shall file an application with the Commissioner of the Korea Customs Service, stating his/her trading party, the relevant customs office where declaration of such goods will pass, and the details of the application, along with the following documents: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. A basic contract for the trading relation (investment contract, agency contract, technical service contract, technology introduction contract, etc.);
2. A business plan related to the imported goods;
3. A contract for the supply of imported goods;
4. Data used as a basis for determining the price of imported goods;
5. Other reference materials necessary for determining a customs value.

(2) When the Commissioner of the Korea Customs Service deems any application filed and any document submitted in accordance with paragraph (1) insufficient to determine a customs value, he/she may request the applicant to supplement such application and document within a certain fixed period. <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

(3) "Period prescribed by Presidential Decree" in Article 37 (2) of the Act means the periods prescribed in the following classifications. In such cases, where the Commissioner of the Korea Customs Service requests to supplement any application filed or any document submitted pursuant to paragraph (2), the period for supplementation shall not be counted: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>



1. Cases falling under Article 37 (1) 1 and 2: One month;
2. Cases falling under Article 37 (1) 3: One year.

(4) Each person, who intends to file an application for a review of the result of an advance ruling prescribed in the former part of Article 37 (3) of the Act, shall submit an application stating the gist and details of the application for the review to the Commissioner of the Korea Customs Service, along with the following documents and data: <Newly Inserted by Presidential Decree No. 26089, Feb. 6, 2015>

1. A copy of an advance ruling on the method for determining the customs value under Article 37 (2) of the Act;
2. Data substantiating the gist and details of the application for the review.

(5) "Requirements prescribed by Presidential Decree" in Article 37 (4) of the Act means the following requirements: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 29530, Feb. 12, 2019>

1. An applicant prescribed in Article 37 (1) of the Act shall be the person liable for duty payment;
2. No falsity exists in the details of documents submitted under paragraph (1), and the details thereof shall be the same as the details of the value declaration;
3. No statutes and transaction relations, etc., which constitute the basis of advance rulings, shall be modified;
4. A value declaration shall be filed within three years from the date of the result notified under Article 37 (2) of the Act (or five years, if a person in a special relationship under Article 23 (1) has filed an application to extend the declaration period for two years, by at least 30 days before three years pass after the lapse of two years from the date of the result notified under Article 37 (2) of the Act and the Commissioner of the Korea Customs Service grants permission for such extension).

(6) A person liable to submit a report under Article 37 (5) of the Act shall file a report including the following matters with the Commissioner of the Korea Customs Service within six months after the end of each business year: <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

1. Whether conditions or assumptions which are premises of the method for determining the customs value, determined as a result of an advance ruling, are substantiated;
2. Customs value calculated by the method of determining the customs value, determined as a result of an advance ruling, and the calculation process of such customs value;
3. Details of the transaction of difference between the customs value calculated pursuant to subparagraph 2 and the actual transaction value, ;
4. Other matters notified by the Commissioner of the Korea Customs Service to be included in the report when the result prescribed in Article 37 (2) of the Act is notified.

(7) "Any ground prescribed by Presidential Decree, such as the case where he/she fails to submit the report referred to in paragraph (5)" in the former part of Article 37 (6) of the Act means any of the following grounds: <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

1. Grounds for modification of the result of an advance ruling: In any of the following cases:
  - (a) Where any important part of conditions or assumptions which are premises of the method of determining the customs value determined as a result of an advance ruling, is modified or unsubstantiated;
  - (b) Where the method of determining the customs value determined as a result of an advance ruling, becomes no more appropriate due to the amendment of any related statute or convention;
  - (c) Where a person notified of the method of determining the customs value determined as a result of an advance ruling requests to modify the method of determining the customs value due to changes in domestic and overseas market conditions, etc.;
  - (d) Other cases falling under any ground determined and publicly notified by the Commissioner of the Korea Customs Service where deemed necessary to modify the method of determining the customs value determined as a result of an advance ruling;
2. Grounds for withdrawal of the result of an advance ruling: In any of the following cases:
  - (a) Where the applicant fails to make supplementation despite a request for supplementation, by failing to submit all or important part of the report referred to in paragraph (6);
  - (b) Where the applicant intentionally omits or falsely prepares any important part of the report referred to in paragraph (6);
3. Grounds for cancelling the result of an advance ruling: In any of the following cases:
  - (a) Where the applicant intentionally omits or falsely prepares any important part of the data referred to in paragraph (1);
  - (b) Where the applicant files a customs value declaration without complying with the details or conditions of the method of determining the customs value determined as a result of an advance ruling.

**Article 31-2 Deleted.** <by Presidential Decree No. 28642, Feb. 13, 2018>

**Article 31-3 (Procedures, etc. for Pre-Adjustment)**

- (1) Within 90 days from the date on which an application is received under Article 37-2 (1) of the Act, the Commissioner of the Korea Customs Service shall commence the procedures for pre-adjustment pursuant to paragraph (2) of the same Article and notify the applicant of such fact: Provided, That if the procedures for pre-adjustment cannot be commenced due to reasons, such as the data referred to in Article 31 (1) and (2) being not submitted or falsely prepared, the Commissioner of the Korea Customs Service shall notify the applicant of such reasons. <Amended by Presidential Decree No. 28642, Feb. 13, 2018>
- (2) If an applicant is notified that the procedures for pre-adjustment cannot be commenced, under the proviso to paragraph (1), he/she may, within 30 days from the date of receipt of such notification, submit supplemented data or notify the Commissioner of the Korea Customs Service as to whether an advance ruling on a matter referred to in Article 37 (1) 3 of the Act and the procedures for prior approval under the proviso to Article 6 (2) of the Adjustment of International Taxes Act will be processed separately from each other. In such cases, the Commissioner of the Korea Customs Service shall inform the Commissioner

of the National Tax Service of the matters notified without delay. <Amended by Presidential Decree No. 28642, Feb. 13, 2018>

(3) Article 31 of this Decree and Articles 9, 10, 11-2, 12, 13, and 14-8 (3) of the Adjustment of International Taxes Act shall apply mutatis mutandis to the methods, procedures, etc. for filing an application for pre-adjustment pursuant to Article 37-2 (5) of the Act. <Amended by Presidential Decree No. 28642, Feb. 13, 2018>

(4) Except as otherwise expressly provided for in paragraphs (1) through (3), matters necessary for conducting pre-adjustment and other matters concerning pre-adjustment shall be prescribed by Ordinance of the Ministry of Strategy and Finance.

#### **Article 31-4 (Scope of Information to be Provided for Assessment, etc. of Customs Duties)**

"Any information or data prescribed by Presidential Decree" in Article 37-3 of the Act means any of the following information or data: <Amended by Presidential Decree No. 26089, Feb. 6, 2015>

1. Information or data related to the determination or rectification of the tax bases and tax amounts under Article 4 of the Adjustment of International Taxes Act;
2. Other data necessary for determining or rectifying the customs value.

#### **Article 31-5 (Scope, etc. of Submission of Data to Determine Customs Values of Goods Imported by Persons in Special Relationships)**

(1) Data that the head of a customs office may request the relevant person in a special relationship to submit pursuant to Article 37-4 (1) of the Act shall be as follows. In such cases, the head of a customs office shall request data by a document stating the reason for such request and the period for submission of the requested data: <Amended by Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 28642, Feb. 13, 2018; Presidential Decree No. 29530, Feb. 12, 2019>

1. The current status of mutual investments among persons in special relationships;
2. Deleted; <by Presidential Decree No. 29530, Feb. 12, 2019>
3. Data about internal price determination, such as the details of price calculation for imported goods, and international market price policies;
4. A contract for purchasing imported goods and a contract for sharing the cost price;
5. A contract for franchise fees, royalties for technology transfer, fees, etc.;
6. A contract for supporting business and management, such as advertising and sales promotion;
7. Deleted; <by Presidential Decree No. 29530, Feb. 12, 2019>
8. Accounting standards and methods related to the relevant transactions;
9. An audit report and an annual report of an overseas person in a special relationship;
10. Details of overseas payments and receipts, and evidential data;
11. The relevant Master File and Local Files referred to in Article 21-2 of the Enforcement Decree of the Adjustment of International Taxes Act;
12. Other data necessary to determine the customs value of imported goods.

(2) Each person in a special relationship shall prepare and submit data referred to in paragraph (1) in Korean: Provided, That where the head of a customs office allows such person to submit data prepared in English, he/she may do so.

(3) "Extenuating circumstances prescribed by Presidential Decree" in the proviso to Article 37-4 (3) of the Act means any of the following cases: <Amended by Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 27952, Mar. 27, 2017>

1. Where a person requested to submit data is unable to submit data due to fire, burglary, etc.;
2. Where it is substantially impracticable for a person requested to submit data because his/her business is in a serious danger;
3. Where an authorized agency has seized, or has the custody of, related books of account and documents;
4. Where a person requested to submit data is unable to submit data by the deadline because it takes a considerable period of time to collect or prepare data;
5. Where it is deemed that a person requested to submit data is unable to submit data by the deadline due to any grounds referred to in subparagraphs 1 through 4.

(4) A person who intends to apply for an extension of the submission deadline pursuant to the proviso to Article 37-4 (3) of the Act shall submit an application for an extension of the deadline for submission of data prescribed by the Commissioner of the Korea Customs Service to the head of a customs office by not later than 15 days before the deadline expires. <Amended by Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 27952, Mar. 27, 2017>

(5) The head of a customs office shall notify an applicant as to whether he/she allows an extension, within seven days from the date an application for an extension of the deadline for submission of data referred to in paragraph (4) is received. In such cases, where he/she fails to notify an applicant as to whether he/she allows an extension within seven days, the deadline for submission of data shall be deemed extended to the deadline an application for the extension of which has been filed.

(6) Pursuant to the latter part of Article 37-4 (4) of the Act, the head of a customs office shall consult with a person in a special relationship on the following matters and grant him/her an opportunity to present his/her opinion for a period of at least 10 days: <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

1. Whether the customs value is to be determined pursuant to Article 30 (1) and (2) of the Act after the person in a special relationship proves, pursuant to Article 37-4 (5) of the Act, the case falls under the proviso to paragraph (3) 4 of the same Article;
2. Method of determining the customs value among the methods prescribed in Articles 31 through 35 of the Act.

### **Article 32 (Declaration for Duty Payment)**

(1) Any person who intends to file a declaration for duty payment in accordance with Article 38 (1) of the Act shall file with the head of the relevant customs office an import declaration in accordance with Article

246, which includes the following matters in addition to matters prescribed in each subparagraph of Article 246:

1. The tariff classification and the tariff rate on the Schedules of Tariff Rates, the amount of customs duties payable by every tariff classification and total amount of customs duties;
2. Where customs duties are reduced or exempted in accordance with the Act or other tariff-related Acts and conventions, the amount of reduced or exempted customs duties and legal grounds thereof;
3. Whether the person falls under the special relation described in Article 23 (1);
4. Other matters used as a reference for determining a customs value.

(2) The Commissioner of the Korea Customs Service may, when he/she deems it necessary to smoothly examine the amount of customs duties under Article 38 (2) of the Act, set criteria for ways, etc. to examine the amount of customs duties.

#### **Article 32-2 (Self-Review)**

(1) Where any person liable for the payment of customs duties files an application for performing the self-review of the amount of declaration for duty payment in accordance with Article 38 (3) of the Act, the head of the relevant customs office may approve him/her as a person liable for the payment of customs duties who is allowed to perform the self-review of the amount of his/her customs duties according to the procedures prescribed by the Commissioner of the Korea Customs Service (hereinafter referred to as "company eligible for the self-review"). In such cases, the head of the relevant customs office may consult with any company eligible for the self-review about methods and schedules, etc. for performing the self-review.

(2) The head of the relevant customs office shall furnish every company eligible for the self-review with materials concerning methods for conducting export and import business and the system by which such export and import business is conducted etc., which are prescribed by the Commissioner of the Korea Customs Service.

(3) Every company eligible for the self-review shall file a report to the head of the relevant customs office on findings of its self-review and details of measures taken based on the materials furnished by the head of the relevant customs office under paragraph (2), which includes matters set forth in the following subparagraphs. In such cases, every company eligible for the self-review shall, if it finds any excessive or deficient amount in paid customs duties prior to reporting, file an application for a revision, an amended declaration, or an application for rectification with respect to the amount, and if every company eligible for the self-review finds any excessively refunded amount, it shall notify the head of the relevant customs office thereof:

1. Findings of the self-review that are compiled by using the materials furnished by the head of the relevant customs office under paragraph (2);
2. Details of measures that are taken with respect to matters needed to supplement the methods for conducting the business, the system by which the business is conducted and the amount of customs duties, etc., through the self-review.

(4) The head of the relevant customs office shall evaluate the findings of the self-review submitted under paragraph (3) and notify the relevant company eligible for the self-review of his/her evaluation: Provided, That where the self-review is judged to have been performed improperly, the head of the relevant customs office may ask the relevant company eligible for the self-review for submitting additional materials or visit the company eligible for the self-review for his/her evaluation.

(5) The head of the relevant customs office may ask the relevant company eligible for the self-review for submitting materials referred to in the proviso to paragraph (4) or inform the relevant company of matters to be supplemented in order to help such company properly perform the self-review; and the head of the relevant customs office may also ask the relevant company eligible for the self-review to put forward its opinion on improvement methods and schedules, etc., that are necessary to maintain the self-review.

(6) The head of the relevant customs office may, when any company eligible for the self-review falls under the following subparagraphs, revoke his/her approval of its self-review:

1. Where it fails to meet the requirements prescribed by the Commissioner of the Korea Customs Service in accordance with Article 38 (3) of the Act;
2. Where it expresses its intention of not performing the self-review;
3. Where it fails to submit findings of its self-review and to meet its obligation, etc. necessary to maintain the self-review.

#### **Article 32-3 (Correction of Amount of Customs Duties)**

Any person who intends to correct the amount of his/her customs duties in accordance with Article 38 (4) of the Act shall take the delivery of documents related to the relevant declaration for duty payment from the head of the relevant customs office and then correct his/her customs duty base and the amount of his/her customs duties, etc. and submit it to the head of the relevant customs office after signing his/her name or affixing a seal on the corrections.

#### **Article 32-4 (Revision of Amount of Customs Duties)**

(1) When the head of the relevant customs office notifies the revision of the amount of customs duties under the former part of Article 38-2 (2) of the Act, he/she shall serve a revision notice stating each of the following matters:

1. The number of import declaration, name, specification and quantity of the relevant goods;
2. The tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods before making the revision thereof;
3. The tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods after making the revision thereof;
4. Grounds for the revision and the term of the revision;
5. Other reference matters.

(2) Any person who intends to revise the amount of customs duties paid by self-assessment in accordance with Article 38-2 (1) and the latter part of (2) of the Act shall have an import declaration he/she has submitted issued from the head of the relevant customs office after filing an application with the head of

the relevant customs office for the revision of the amount of his/her customs duties and then revise the tariff classification, the duty base, the tariff rate, the amount of customs duties and other related matters that are to be stated in the import declaration and submit it to the head of the relevant customs office after signing his/her name or affixing a seal on the revisions.

(3) Deleted. <by Presidential Decree No. 23602, Feb. 2, 2012>

(4) Article 56 (2) shall apply mutatis mutandis to the calculation of the interest rate to be added to the deficient amount of customs duties in accordance with the main sentence of Article 38-2 (5) of the Act. <Amended by Presidential Decree No. 22086, Mar. 26, 2010>

(5) A person who intends to qualify for an exemption from the amount to be added to the deficient amount of customs duties pursuant to Article 38-2 (5) 2 of the Act shall file an application indicating the following matters with the head of the relevant customs office. In such cases, the evidentiary data related to matters prescribed in subparagraphs 2 and 3, if any, may be attached thereto: <Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>

1. The name or trade name and address of a person liable for payment;
2. The amount intended to be exempted;
3. Good cause.

(6) Upon receipt of the application under paragraph (5), the head of a customs office shall provide written notice as to whether the relevant exemption is granted within 20 days from the application date. <Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>

#### **Article 32-5 (Payment of Customs Duties, etc. with Credit Cards, etc.)**

(1) The tax amount (including the amount of internal taxes, etc. collected by the head of a customs office together with customs duties) declared by a person liable for duty payment, or assessed or reassessed and notified by the head of a customs office pursuant to Article 38 (6) of the Act may be paid by credit card, debit card or such (hereafter referred to as "credit card, etc." in this Article). <Amended by Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 25224, Mar. 5, 2014; Presidential Decree No. 26089, Feb. 6, 2015>

(2) A national tax payment agency prescribed in Article 46-2 (1) of the Framework Act on National Taxes, which is applied mutatis mutandis pursuant to Article 38 (6) of the Act, means a customs duty payment agency (hereafter referred to as "customs duty payment agency" in this Article) prescribed by Ordinance of the Ministry of Strategy and Finance as an agency engaging in the settlement of accounts by credit card, etc. through information and communications networks.

(3) A customs duty payment agency may receive agency fees for payment from duty payers in consideration for agency of the payment of customs duties by credit card, etc., as prescribed by Ordinance of the Ministry of Strategy and Finance.

(4) The Commissioner of the Korea Customs Service may determine the type of credit cards, etc. used for the payment of customs duties and other necessary matters concerning the payment of customs duties.

### **Article 33 (Amended Declaration)**

Any person who intends to file an amended declaration in accordance with Article 38-3 (1) of the Act shall file such amended declaration stating the following matters with the head of the relevant customs office: <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

1. Import declaration number, name, standard and quantity of the relevant goods;
2. Tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods before an amended declaration is filed;
3. Tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods after an amended declaration is filed;
4. The amount of additional duty of the relevant goods;
5. Other reference matters.

### **Article 34 (Rectification of Amount of Customs Duties)**

(1) Any person who intends to file an application to rectify a declared amount of duty in accordance with Article 38-3 (2) of the Act, shall file an application for rectification stating the following matters with the head of the relevant customs office: <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

1. Import declaration number, name, standard and quantity of the relevant goods;
2. Tariff classification, duty base, tariff rate, and the amount of customs duties of the relevant goods before the relevant rectification is made;
3. Tariff classification, duty base, tariff rate, and the amount of customs duties of the relevant goods after the relevant rectification is made;
4. Grounds for such rectification;
5. Other reference matters.

(2) "Any reason prescribed by Presidential Decree, such as where any transaction or act, etc. which is the basis of calculating the duty base and the amount of duty in the first declaration or rectification becomes final and conclusive as different by a ruling (including a settlement or other act as effective as the ruling) of the relevant lawsuit" referred to in Article 38-3 (3) of the Act means any of the following cases: <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 24373, Feb. 15, 2013>

1. Where any transaction, act, etc. which is the basis of calculating the duty base and the amount of duty in the first declaration or rectification becomes final and conclusive as different by a ruling (including a settlement or other act as effective as the ruling) of the relevant lawsuit;
2. Where it is impracticable to calculate the duty base and the amount of duty when filing the first declaration or rectification due to the seize of books of accounting or evidentiary documents or on any other unavoidable ground but such relevant ground ceases thereafter;
3. Where a person who intends to file an application for rectification is notified of the details of a reply by the head of a customs office who has received such reply regarding the authenticity of a certificate of origin, etc. pursuant to the latter part of Article 233 (1) of the Act.



(3) Where the head of the relevant customs office intends to rectify the amount of customs duties in accordance with Article 38-3 (6) of the Act, he/she shall issue a written rectification notice stating the following matters to a person liable for duty payment: *<Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 27952, Mar. 27, 2017>*

1. Import declaration number, name, standard and quantity of the relevant goods;
2. Tariff classification, duty base, tariff rate, and the amount of customs duties of the relevant goods before the relevant rectification is made;
3. Tariff classification, duty base, tariff rate, and the amount of customs duties of the relevant goods after the relevant rectification is made;
4. The amount of an additional duty;
5. Grounds for such rectification;
6. Other reference matters.

(4) Where the deficient amount of customs duties paid or payable is rectified under paragraph (3), a duty payment notice under Article 36 shall be served on a person liable for duty payment with respect to such deficiency. In such cases, where a number of duty payment notices are to be served on the same person liable for duty payment, they may be integrated into and issued as one notice. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 26957, Feb. 5, 2016>*

(5) Where the head of the relevant customs office finds that the amount of customs duties is in excess or deficient after making rectification according to paragraph (3), he/she shall re-rectify the rectified amount of customs duties. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

### **Article 35 (Rectification due to Adjustment of Customs Value of Imported Goods)**

(1) Any person who intends to file an application for rectification under Article 38-4 (1) of the Act shall submit to the head of the relevant customs office such application for rectification stating each of the following matters:

1. Import declaration number, name, standard, and quantity of the relevant goods;
2. Tariff classification, duty base, duty rate, and the amount of customs duties of the relevant goods before the relevant rectification is made;
3. Tariff classification, duty base, duty rate, and the amount of customs duties of the relevant goods after the relevant rectification is made;
4. Details of adjustment of the price of the relevant imported goods, the method of determining the price, and data on which calculation of price is based;
5. Grounds for rectification;
6. Other necessary matters.

(2) The head of a customs office in receipt an application for rectification pursuant to paragraph (1) shall file a report thereon to the Commissioner of the Korea Customs Service, accompanied by the fact that the declaration for duty payment which is the object of the application for rectification has been filed and his/her opinion on such application for rectification. In such cases, if any other application for rectification

containing the same details filed with the head of another customs office, the Commissioner of the Korea Customs Service may determine standards for the disposition of rectification or designate the head of a customs office who shall conduct a consolidated review of such applications for rectification.

(3) In any of the following subparagraphs, the head of a customs office may rectify the amount of duty pursuant to Article 38-4 (2) of the Act:

1. Where matters adjusted in accordance with the disposition of determination or rectification made by the commissioner of a regional tax office or the head of a tax office is acknowledged as the customs value under Article 30 (1) of the Act, such as the paid price of the imported goods and a royalty of use of right;

2. Where the commissioner of a regional tax office or the head of a tax office makes an adjustment based on the method of calculating the arm's length price under Article 5 of the Adjustment of International Taxes Act and the method of adjustment, such as comparable transactions and application of normal profits, and the calculation basis are deemed in compliance with Articles 31 through 35 of the Act.

(4) Where the amount of duty is rectified under paragraph (3), Article 34 (3) through (5) shall apply mutatis mutandis to procedures for issuing a written rectification notice, servicing of a duty payment notice, re-rectification of rectified matters, etc.

#### **Article 36 (Duty Payment Notice)**

The head of the relevant customs office shall, when he/she intends to collect customs duties in accordance with Article 39 (3), 47 (1) or 270 (5) (latter part) of the Act, deliver a duty payment notice stating the item of duty, the amount of customs duties and the place of payment, etc., to a person liable for duty payment: Provided, That where a customs officer who inspects goods receives customs duties thereon in accordance with Article 43 of the Act, the head of the relevant customs office may allow such customs officer to deliver a verbal notice thereon to a person liable for duty payment. <Amended by Presidential Decree No. 17467, Dec. 31, 2001>

#### **Article 37 (Minimum Amount of Collectable Duties)**

(1) The amount of customs duties that the head of the relevant customs office does not collect in accordance with Article 40 of the Act shall be 10,000 won. <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19478, May 22, 2006>

(2) Where the customs duties are not collected under paragraph (1), the day on which an import declaration on the relevant goods is filed shall be deemed the day on which the customs duties thereof are paid. <Newly Inserted by Presidential Decree No. 17467, Dec. 31, 2001>

#### **Article 38 (Surcharges)**

@Article 41 (1) through (3) of the Act shall not apply to the goods falling under each of the following subparagraphs in accordance with paragraph (4) of the same Article:

1. Goods imported directly by the State or local governments (including any association of local governments; hereinafter the same shall be applied) or other goods donated to the State or local

governments;

2. Postal materials: Provided, That any postal materials which require an import declaration thereon under Article 241 of the Act shall be excluded herefrom.

### **Article 39 (Additional Duties)**

(1) "Interest rate prescribed by Presidential Decree" in the formula provided for in Article 42 (1) 2 and (3) 2 of the Act means the rate of 25/100,000 per day, respectively. <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 26957, Feb. 5, 2016; Presidential Decree No. 29530, Feb. 12, 2019>

(2) "Where a declaration for duty payment is filed based on a provisional value declaration and customs duties are paid in accordance with such declaration for duty payment and other cases prescribed by Presidential Decree" in Article 42 (1) of the Act, means any of the following cases: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 26957, Feb. 5, 2016>

1. Where a deficiency exists in the amount of customs duties before an import revision is accepted in accordance with Article 9 (2) of the Act and a person liable for duty payment files an amended declaration for duty payment on the amount of the relevant customs duties before an import declaration is accepted or the head of the relevant customs office makes a revision thereof;

2. Where a person liable for duty payment files a declaration for duty payment based on a provisional value declaration in accordance with Article 28 (1) of the Act and pays the amount of the relevant customs duties: Provided, That the same shall not apply where data submitted by a person liable for duty payment is found to be different from the fact and thus the ground for additional collection of customs duties arises;

2-2. Where the results of an advance ruling on a matter provided for in Article 37 (1) 3 of the Act have been notified and an amended declaration is filed in relation to the amount of customs duties paid by self-assessment before the application for the relevant advance ruling is filed in accordance with the method of determining the customs value notified within two months from the date of notification;

3. Where a deficiency is caused by the erroneous application of goods subject to the reduction or exemption of customs duties, among goods prescribed by Ordinance of the Ministry of Strategy and Finance under the proviso to Article 38 (2) of the Act, or the erroneous application of the reduction or exemption rate;

3-2. Where an amended declaration is filed under Article 38-3 (1) of the Act (limited to an amended declaration filed before one year and six months pass from the date on which the revision period ends under Article 38-2 (1) of the Act): Provided, That cases prescribed by Ordinance of the Ministry of Strategy and Finance, such as where an amended declaration is filed knowingly in advance that the custom duty base and the amount of the relevant customs duties will be revised, shall be excluded herefrom;

4. Where Article 41 (1) through (3) of the Act does not apply in accordance with paragraph (4) of the same Article;

4-2. Where the Customs Appeal Committee prescribed in Article 124 of the Act (hereinafter referred to as the "Customs Appeal Committee") fails to make a decision and provide notice on the result of the deliberation (hereafter referred to as "decision and notice" in this Article) on pre-assessment review within the period prescribed in the main sentence of Article 118 (3) of the Act;

5. Where a person liable for duty payment who has underpaid the amount of customs duties paid by self-assessment, has a just cause.

(3) No head of a customs office shall collect additional duties classified as follows in accordance with Article 42 (1) of the Act: <Amended by Presidential Decree No. 26089, Feb. 6, 2015>

1. In cases falling under paragraph (2) 1, 2, 4 or 5: Additional duties equivalent to the amount calculated by aggregating an amount set forth in Article 42 (1) 1 and 2 of the Act;

2. In cases falling under paragraph (2) 2-2 or 3: Additional duties equivalent to an amount set forth in Article 42 (1) 1 of the Act;

3. In cases falling under paragraph (2) 3-2: Additional duties equivalent to an amount classified as follows:

(a) Where an amended declaration is filed before six months pass from the date on which the revision period prescribed in Article 38-2 (1) of the Act ends: 20/100 of an amount set forth in Article 42 (1) 1 of the Act;

(b) Where an amended declaration is filed during a period exceeding six months but not exceeding one year and six months counting from the date on which the revision period referred to in Article 38-2 (1) of the Act ends: 10/100 of an amount set forth in Article 42 (1) 1 of the Act;

4. In cases falling under paragraph (2) 4-2: Additional duties equivalent to 50/100 of the amount of additional duties to be assessed for the period of delay of the decision and notice (referring to the additional duties equivalent to the amount obtained by applying the period of delay of the decision and notice to the calculation formula set forth in Article 42 (1) 2 of the Act).

(4) "Means prescribed by Presidential Decree" in Article 42 (2) of the Act, means any of the following: <Newly Inserted by Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 24373, Feb. 15, 2013>

1. Preparing or accepting a false certificate or false document, such as a double invoice and double contract;

2. Destructing data required for assessment of the amount of tax;

3. Manipulating or concealing acts or transactions which become grounds for the assessment of customs duties;

4. Engaging in improper activities to evade or get refund or reduction of or exemption from customs duties.

(5) Article 32-4 (5) and (6) shall apply mutatis mutandis to the procedures for exempting from the assessment of additional duties prescribed in paragraph (2) 5. <Newly Inserted by Presidential Decree No.

**Article 40 (Postponement of Disposition on Default)**

(1) A defaulter who intends to have a disposition on default postponed pursuant to Article 43-2 (1) of the Act shall file an application with the head of the competent customs office stating the following matters:

1. The address or residence and name of the defaulter;
2. The item of duty of the amount in arrears to be paid, the amount of customs duties and the deadline for payment;
3. Reasons why the postponement of the disposition on default is intended, and the period of intended postponement;
4. Where the defaulter intends to pay the amount in arrears in installments, the amount intended to be paid per installment, and the number of times of payments that he/she intends to make in installments.

(2) Where the head of a customs office postpones a disposition on default in accordance with an application filed under paragraph (1), the period of postponement shall not exceed two years from the date on which the postponement is granted. In such cases, the head of a customs office may allow the defaulter to make payment in installments within the period of postponement.

(3) A plan to pay the amount in arrears to be received pursuant to Article 43-2 (4) of the Act shall include the following:

1. Matters concerning the property or income to be provided to pay the amount in arrears;
2. Matters concerning the payment schedule of the amount in arrears (where the payment is made to be paid in installments pursuant to the latter part of paragraph (2), an installment payment schedule shall be included therein);
3. Other matters related to a plan to pay the amount in arrears, which are determined and publicly notified by the Commissioner of the Korea Customs Service.

(4) Where the head of a customs office postpones a disposition on default in accordance with an application filed under paragraph (1) and notifies such fact, a document stating the following matters shall be served:

1. The item of duty of the amount in arrears for which the disposition on default is postponed, the amount of customs duties and the deadline for payment;
2. Where the amount in arrears is made to be paid in installments, the amount to be paid per installment, and the number of times payment is to be made in installments;
3. The period of postponement of the disposition on default.

(5) When declining an application referred to in paragraph (1) or revoking the postponement of a disposition on default pursuant to Article 43-2 (5) of the Act, the head of a customs office shall notify such fact by serving a document stating the reasons therefor.

**Article 41 (Provision, etc. of Materials on Arrears)**

(1) "Cases prescribed by Presidential Decree" in the proviso to Article 44 (1) of the Act means any of the following cases:

1. Cases that constitute reasons referred to in Article 2 (1) 1 through 3;
  2. Cases where a disposition on default is postponed.
- (2) "Amount prescribed by Presidential Decree" in the subparagraphs of Article 44 (1) of the Act means five million won, respectively.
- (3) Where the head of a customs office processes materials on arrears (hereafter referred to as "materials on arrears" in this Article) under the main sentence of Article 44 (1) of the Act by means of a computerized information processing system, he/she may prepare a file of materials on arrears (referring to magnetic tapes, magnetic discs, and other similar media in which materials on arrears are recorded and stored; hereinafter the same shall apply).
- (4) A person who intends to make a request for materials on arrears (hereafter referred to as "requester" in this Article) pursuant to the main sentence of Article 44 (1) of the Act shall submit a document stating the following matters to the head of a customs office:
1. The name and domicile of a requester;
  2. The details of materials for which he/she make a request and the purpose of the use thereof.
- (5) The head of a customs office requested to provide materials on arrears pursuant to paragraph (4) may provide such materials in a file of materials on arrears under paragraph (3) or in writing.
- (6) Where materials on arrears provided pursuant to paragraph (5) do not fall under materials on arrears due to the payment of the amount in arrears, the head of a customs office shall notify a requester of the fact within 15 days from the date the reason therefor occurs.
- (7) Matters necessary for the arrangement, management, storage, etc. of the files of materials on arrears under paragraph (3) or matters necessary for a request for and provision of materials on arrears other than matters provided in this Article shall be prescribed by the Commissioner of the Korea Customs Service.

**Article 42 (Composition of Customs Duties Arrearages Adjustment Committee)**

- (1) Any customs duties arrearages adjustment committee (hereinafter referred to as "customs duties arrearages adjustment committee") shall be established in every customs office in accordance with Article 45 of the Act.
- (2) Every customs duties arrearages adjustment committee shall consist of not less than five to not more than seven members including one chairperson.
- (3) The chairperson of each customs duties arrearages adjustment committee shall be the head of each customs office, and the members shall be appointed or commissioned by the head of each customs office from among the persons falling under each of the following subparagraphs: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>
1. Customs officers;
  2. Attorneys, licensed customs agents, certified public accountants or certified tax accountant;
  3. Representatives of the commerce and industry circles;
  4. Persons of profound knowledge and experience in strategy and finance.

(4) The term of office of members falling under paragraph (3) 2 through 4 shall be two years and may be renewed only once: Provided, That a member appointed to fill a vacancy occurring before the expiration of the term for which his/her predecessor was appointed, shall serve for the remainder of such term.

*<Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>*

#### **Article 43 (Removal, etc. of Members of Custom Duties Arrearages Adjustment Committee)**

When any member of each customs duties arrearages adjustment committee falls under any of the following subparagraphs, the head of each customs office may remove or dismiss such member: *<Amended by Presidential Decree No. 28642, Feb. 13, 2018>*

1. Where the member becomes incapable of performing his/her duties due to a physical or mental disorder;
2. Where the member engages in misconduct in connection with his/her duties;
3. Where the member is deemed unsuitable as a member due to neglect of a duty, loss of dignity, or on any other reason;
4. Where the member voluntarily admits that it is difficult for him/her to perform his/her duties;
5. Where the member loses his/her status referred to in Article 42 (3) 1 or 2;
6. Where the member fails to refrain from participating in deliberation and resolution, in spite of falling under any subparagraph of Article 45-2 (1);
7. Where the member does not reside in the jurisdictional area;
8. Where the member is delinquent in customs duties or national taxes.

#### **Article 44 (Duties of Chairperson of Customs Duties Arrearages Adjustment Committee)**

(1) The chairperson of each customs duties arrearages adjustment committee shall exercise overall control over his/her committee's affairs and represent his/her committee.

(2) Where the chairperson of each customs duties arrearages adjustment committee is in unavoidable circumstances that make it unable for him/her to perform his/her duties, a member designated by the chairperson shall act on behalf of the chairperson in performing the duties.

#### **Article 45 (Meetings of Customs Duties Arrearages Adjustment Committee)**

(1) Where the amount of customs duties in arrears is not less than the amount determined by the Commissioner of the Korea Customs Service and falls under any of the following cases, the chairperson of each customs duties arrearages committee shall call a meeting and preside over such meeting: *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 24373, Feb. 15, 2013>*

1. Where it is intended to suspend a disposition taken against customs duties (including internal taxes collected by the head of any customs office; hereinafter the same shall apply) according to an example of the National Tax Collection Act;
2. Deleted; *<by Presidential Decree No. 24373, Feb. 15, 2013>*
3. Where the head of a tax office collects internal taxes, etc. in arrears pursuant to Article 4 (2) of the Act.

(2) A majority of the members including the chairperson of the customs duties arrearages adjustment committee shall constitute a quorum, and any decision thereof shall require the concurring vote of a majority of those present.

(3) Deleted. <by Presidential Decree No. 28642, Feb. 13, 2018>

#### **Article 45-2 (Exclusion and Refrainment of Members of Customs Duties Arrearages Adjustment Committee)**

(1) Any member of a customs duties arrearages adjustment committee who falls under any of the following cases shall be excluded from the deliberation and resolution:

1. Where the member is a party to the relevant agenda (where a party to the relevant agenda is a corporation, organization, etc., including the executive officers thereof, hereafter the same shall apply in this Article) or a person directly interested in the relevant agenda;
2. Where the member's spouse, relative within the fourth degree of consanguinity, or relative within the second degree of affinity within the second degree is a party to the relevant agenda or has direct interest in the relevant agenda;
3. Where the member is a current representative or was the representative of a party to the relevant agenda within the recent five years;
4. Where the member belongs or has belonged to a corporation, organization, etc. which is the current representative or was the representative of a party to the relevant agenda within the recent five years;
5. Where the member has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.;
6. Where the member currently belongs to or has belonged within recent five years to a corporation, organization, etc. which has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.

(2) If any member of a customs duties arrearages adjustment committee falls under any subparagraph of paragraph (1), he/she shall voluntarily refrain from the deliberation and resolution on the relevant agenda.

#### **Article 46 (Hearing of Opinions)**

Every customs duties arrearages adjustment committee may, when deemed necessary in relation to the agenda, seek the opinion from any delinquent or any interested person, etc.

#### **Article 47 (Minute of Customs Duties Arrearages Adjustment Committee)**

The chairperson of each customs duties arrearages adjustment committee shall, when a meeting is held, compile and keep a minute of such meeting.

#### **Article 48 (Notification of Resolved Matters)**



The chairperson of each customs duties arrearages adjustment committee shall notify the Commissioner of the Korea Customs Service of matters resolved at any meeting of the Committee.

**Article 49 (Allowances)**

Members who are not public officials and attend meetings of each customs duties arrearages adjustment committee may be paid allowances within budgetary limits.

**Article 50 (Application for Payment of Customs Refunds)**

Any person who intends to receive a customs refund under Article 46 (1) of the Act (hereafter referred to as "customs refund" in this Article through Article 56) shall submit an application stating the name, specifications, quantity, the date of acceptance of an import declaration, the declaration number of the relevant goods, the reason for refund, and the amount of refund he/she intends to receive to the head of a customs office. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

**Article 51 (Notice of Refund of Customs Duties)**

(1) When the head of the relevant customs office has confirmed the reason for the refund of customs duties, he/she shall notify the person holding the right to claim the refund thereof of the amount, the reason, etc. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

(2) The head of the relevant customs office shall keep a book and a supplementary book on the determination of customs refund and shall state necessary matters in such book. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

(3) The head of the relevant customs office shall compile a monthly report on the amount of customs refunds determined and file such report with the Minister of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 24373, Feb. 15, 2013>*

(4) The head of the relevant customs office shall submit an account of the amount of customs refunds determined and evidential documents thereof to the Board of Audit and Inspection as prescribed by the Chairman of the Board of Audit and Inspection. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

**Article 52 (Notification on Appropriation of Customs Refunds)**

Where the head of the relevant customs office appropriates any customs refunds for any payments in accordance with Article 46 (2) of the Act, he/she shall notify the right holder of the fact: Provided, That where such appropriation is made upon a request of the right holder, such notification shall be omitted. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

**Article 53 (Transfer of Customs Refunds)**

Any person who intends to transfer his/her right on customs refunds to a third person pursuant to Article 46 (3) of the Act shall submit a document stating each of the following matters to the head of the relevant customs office: *<Amended by Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 29530, Feb. 12, 2019>*

1. Domicile and name of a transferor;
2. Domicile and name of a transferee;

3. The reason for refund;
4. The amount of customs refunds.

#### **Article 54 (Procedures for Refund)**

(1) When the head of the relevant customs office determines the amount of customs refunds, he/she shall send an instruction for the prompt payment of a refund to a person entitled for such refund to the Bank of Korea (including any national treasury agency; hereinafter the same shall apply) and shall serve a refund notice stating details and methods of such refund on the person entitled for the refund. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

(2) Upon receiving the instruction from the head of the relevant customs office under paragraph (1), the Bank of Korea shall promptly transfer the amount necessary for the refund from the revenues of the current year under jurisdiction of the head of the relevant customs office to the refund payment account of the head of the relevant customs office and then shall notify the head of the relevant customs office of the contents thereof.

(3) When the Bank of Korea is presented with the refund notice referred to in paragraph (1), it shall pay such refund after comparing it with the payment instruction sent by the head of the relevant customs office and shall notify the head of the relevant customs office of the payment thereof.

(4) When the Bank of Korea pays the refund in accordance with paragraph (3), it shall have any person entitled to receive such refund produce his/her resident registration certificate and other identification cards and shall confirm that he/she is legally entitled for such refund.

(5) If any person who intends to receive a customs refund files an application under Article 50, he/she may apply to the head of the relevant customs office for remitting his/her refund to any branch of the Bank of Korea or for transferring such refund to an account at a financial institution after opening such account and reporting thereon to the head of the relevant customs office. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

(6) Upon receiving the application under paragraph (5), the head of the relevant customs office shall send the payment instruction stating the details of application to the Bank of Korea under paragraph (1). In such cases, the head of the relevant customs office shall append a written treasury remittance request or a written treasury receipt request to such payment instruction.

(7) Upon receiving the payment instruction from the head of the relevant customs office under paragraph (6), the Bank of Korea shall promptly remit the amount to the account of the relevant branch or transfer the amount to the account of the relevant financial institution and then shall notify the head of the relevant customs office of the fact.

(8) Upon receiving the remittance of the refund under paragraph (7), any branch of the Bank of Korea shall pay such refund in accordance with paragraphs (3) and (4).

#### **Article 55 (Adjustment of Unpaid Refund)**

(1) The Bank of Korea shall carry over the refund unpaid by January 15 of the next fiscal year from among the refund transferred by the Bank of Korea to the refund payment account of the head of the

relevant customs office, for which payment instructions are given, during the current fiscal year to the unpaid customs office refund carry-over account.

(2) Any amount that is unpaid within one year from the day on which the instructions for the payment of refund were issued from among the amount carried over to the unpaid customs office refund carry-over account under paragraph (1) shall revert to the revenue of the fiscal year belonging to the day on which the above-referenced period expires.

(3) Where any person entitled to receive a customs refund has not been paid the customs refund within one year from the day on which a refund notice was issued, he/she may request the head of the relevant customs office to retake procedures for such refund and the head of the relevant customs office shall investigate and confirm such fact and take measures necessary for making such refund. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

#### **Article 56 (Determination of Surcharges, etc. on Refund of Customs Duties)**

(1) When the head of a customs office appropriates or refunds customs duties pursuant to Article 46 of the Act (excluding where he/she appropriates or refunds the amount of payment of customs duties by self-assessment based on a provisional value under Article 28 (4) of the Act and the amount of customs duties based on the final value) or collects the over-refunded amount pursuant to Article 47 (1) of the Act, he/she shall determine a surcharge under Article 47 (2) or 48 of the Act. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

(2) The interest rate on the surcharge referred to in paragraph (1) shall be prescribed by Ordinance of the Ministry of Strategy and Finance, taking into account the average interest rate on one year term deposits in any bank authorized to engage in banking business under the Banking Act with its principal office located in the Seoul Special Metropolitan City. *<Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22493, Nov. 15, 2010; Presidential Decree No. 23602, Feb. 2, 2012>*

(3) "Initial date in calculating a surcharge on the refund of customs duties, prescribed by Presidential Decree" in Article 48 of the Act shall be the date following each of the following dates: *<Newly Inserted by Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 27300, Jun. 30, 2016>*

1. A customs refund that results from an erroneous payment, a double payment, or the rectification or revocation of a declaration or assessment that has become the basis of payment of customs duties after such payment: The date of payment: Provided, That where customs duties have been paid in installments at least two times, the day shall be the date of the final payment, and where the amount of customs refund exceeds the amount of customs duties finally paid, the date shall be the date of each payment of a customs refund calculated retroactively from the dates of payments until the amount of customs duties reaches the amount of customs refund;

2. A customs refund that results from a reduction of, or exemption from, customs duties lawfully paid: The date on which a reduction or exemption is determined;

3. A customs refund that results from the amendment of statutes after customs duties have been paid lawfully: The enforcement date of the amended statutes;
4. An amount of customs duties refunded after an application for refund is filed under this Decree (referring to the amount of customs duties rectified after an erroneous application has been filed): At least 30 days after the date of filing an application: Provided, That where the head of a customs office ex officio refunds the amount of customs duties determined without an application for refund of customs duties, the date shall be at least 30 days after the date of the relevant determination;
5. A customs refund prescribed in Article 9 (4) of the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements: The date on which the application of a conventional tariff, etc. is notified under the latter part of Article 9 (3) of the same Act.

**Article 57 (Suspension, etc. of Application of Provisional Tariff Rates)**

(1) The ministers of competent ministries or interested persons related to goods subject to the application of the provisional tariff rates in the attached Schedules of Tariff Rates of the Act (hereinafter referred to as "provisional tariff rates") may, when they deem it necessary to suspend the application of the provisional tariff rates, or raise or lower the provisional tariff rates under Article 50 (4) of the Act, request the Minister of Strategy and Finance to do so. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(2) The ministers of competent ministries or interested persons shall, when they make a request as prescribed in paragraph (1), furnish data concerning the matters which are related to the relevant goods and fall under each of the following subparagraphs to the Minister of Strategy and Finance: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011>

1. The HS code, name, standard, the purpose of use and alternative goods of the relevant goods;
2. Raw materials used to manufacture the relevant goods, the explanatory statement about the manufacturing process of goods using the relevant goods as raw materials and the purpose of use of the related goods;
3. Reasons for suspending the application of the provisional tariff rates and a period for suspended application thereof;
4. Tariff rates to be modified, reasons therefor and the application period thereof;
5. The monthly import price of the relevant goods by major exporting countries and import records thereof of the current year;
6. The monthly factory price of the relevant goods by major domestic manufacturers and their shipment records out of factories of the current year;
7. Other reference matters.

(3) The Minister of Strategy and Finance may, when he/she deems it necessary to survey matters concerning the suspension of application of the provisional tariff rates, etc., request administrative agencies and institutions concerned, exporters, importers and other interested persons to furnish their related data and seek their cooperation necessary therefor. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

## **Article 58 (Comparison Normal Price with Dumping Price)**

(1) "Normal price prescribed by Presidential Decree" in Article 51 of the Act means the ordinary transaction value of the goods of the same kind consumed in the exporting country of the relevant goods: Provided, That where the goods of the same kind are not transacted in such exporting country or the ordinary transaction value cannot be applied due to the complicated market situation, etc., the typical and comparable price from among the price of the goods of the same kind exported by the relevant exporting country to a third country or the price that is an aggregate amount of the manufacturing cost and management expenses, the sale cost and the profit thereof at a reasonable level (hereinafter referred to as "constructive value") in the country of origin shall be deemed the normal price.

(2) Where the relevant goods are imported not directly from the country of origin, but through a third country, the ordinary transaction value in such third country shall be deemed the normal price: Provided, That if the relevant goods are simply transshipped in the third country that has not produced the goods of the same kind and no price exists that can be deemed the ordinary transaction value in the third country, the ordinary transaction value in the country of origin shall be deemed the normal price.

(3) Where the relevant goods are imported from a country whose economy is controlled without any market economy system, notwithstanding paragraphs (1) and (2), the price falling under each of the following subparagraphs shall be deemed the normal price: Provided, That if a country, prescribed by Ordinance of the Ministry of Strategy and Finance, is in transition to a market economy system, the ordinary transaction value, etc. described in paragraphs (1) and (2) shall be deemed the normal price for such country: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. The ordinary transaction value of the goods of the same kind, which are consumed in market economy countries other than Korea;
2. The export price or the constructive value of the goods exported by market economy countries with the exception of Korea to third countries including Korea.

(4) "Dumping price" in Article 51 of the Act means the price actually paid or payable for the goods subject to the investigation launched under Article 60: Provided, That if the existence of a special relation as prescribed in Article 23 (1) or a compensation agreement between a supplier, an importer or a third person makes it impossible to determine the dumping price according to the price actually paid or payable, the price falling under each of the following subparagraphs may be the dumping price: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Where imported goods are resold first to a buyer with no special relation or no compensation agreement, the price computed based on the resale price as prescribed by Ordinance of the Ministry of Strategy and Finance;
2. Where imported goods have never been resold to a buyer with no special relation or no compensation agreement or remain not resold as imported, the price calculated based on the reasonable standards prescribed by Ordinance of the Ministry of Strategy and Finance.

(5) The comparison of the normal price with the dumping price shall be made as much as possible at the same time and at the same transaction channel (any factory is ordinarily included in the transaction channel). In such cases, if the physical characteristics, sale quantity and sale conditions of the relevant goods, a disparity in the assessment of customs duties, a disparity in transaction channel and exchange rate fluctuations have an impact on the price comparison, the normal price and the dumping price shall be adjusted according to what is prescribed by Ordinance of the Ministry of Strategy and Finance and the period for investigating any dumping rate shall be not less than six months. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(6) Any interested person shall, when he/she requests the price adjustment referred to in paragraph (5) due to a disparity in physical characteristics, sale quantity and sale conditions of the relevant goods, prove the fact that such disparity directly affects the market price and manufacturing cost.

#### **Article 59 (Request for Assessment of Anti-Dumping Duties)**

(1) Persons interested in the domestic industry that suffers material injury, etc. (hereinafter referred to as "material injury, etc.") under Article 51 of the Act or the minister of the competent ministry in charge of such domestic industry, may ask the Minister of Strategy and Finance to assess anti-dumping duties as prescribed by Ordinance of the Ministry of Strategy and Finance; and such request shall be deemed a request filed with the Trade Committee (hereinafter referred to as the "Trade Committee") established pursuant to the provisions of Article 27 of the Act on the Investigation of Unfair International Trade Practices and Remedy against Injury to Industry, for making an investigation necessary to assess anti-dumping duties. *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20720, Feb. 29, 2008>*

(2) In the application of Article 51 of the Act, the domestic industry shall be deemed the domestic production business (the production business run by the producer in a special relation under Article 23 (1) with the supplier or the importer of the relevant imported goods and the production business run by the importer who is also the producer of the relevant goods, prescribed by Ordinance of the Ministry of Strategy and Finance, may be excluded herefrom; hereafter in this paragraph the same shall apply) which accounts for the whole or a considerable portion of the total domestic production of the goods imported at a price lower than the normal price and the goods of the same kind. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) "Persons interested in the domestic industry" in paragraph (1) means domestic producers belonging to the domestic industry that suffers material injury, etc., and any corporation and organization, both of which consist of such domestic producers and individuals for the purpose of speaking for their interests, all of which is prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(4) Any person who intends to request an investigation under paragraph (1) shall furnish the data falling under each of the following subparagraphs to the Trade Committee. In such cases, the Trade Committee shall notify the Minister of Strategy and Finance, the heads of administrative agencies concerned and the

Government of the supplying country of the relevant goods of the fact of receiving such investigation application: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Three copies of an application stating the following matters:

- (a) The name, standard, characteristics, the purpose of use, producer and production quantity of the relevant goods;
- (b) Supplying country, supplier, export performance and export potential of the relevant goods and importer, import record and import potential of the relevant goods in Korea;
- (c) Factory price and market price of the relevant goods in the supplying country and export price of the relevant goods shipped to Korea and export price of the relevant goods shipped to third countries;
- (d) The name, standard, characteristics, the purpose of use, producer, production quantity, factory price, market price and cost accounting of the goods of the same kind in Korea;
- (e) Material injury, etc. caused by the import of the relevant goods to the domestic industry;
- (f) The extent of support by domestic producers of the goods of the same kind for the relevant request of an investigation;
- (g) Where matters stated in an application and appended data need to be kept confidential, the reasons therefor;
- (h) Other matters deemed necessary by the Minister of Finance and Economy;

2. Three copies of evidential data fully attesting the fact of dumping goods imported and material injury, etc. caused thereby.

**Article 60 (Commencement of Investigation of Dumping and Material Injury, etc.)**

(1) Upon receiving a request for an investigation under Article 59 (1), the Trade Committee shall determine whether an investigation should be commenced as to the fact of dumping and the fact of damage, etc. caused thereby; and shall notify the Minister of Strategy and Finance the result thereof and the following matters within two months from the day on which such request is received: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 20720, Feb. 29, 2008>

- 1. Goods subject to the investigation (where goods subject to the investigation are many in number, goods selected in accordance with Ordinance of the Ministry of Strategy and Finance);
- 2. Period for which the investigation is conducted;
- 3. Suppliers subject to the investigation (where suppliers subject to the investigation are many in number, suppliers selected in accordance with Ordinance of the Ministry of Strategy and Finance).

(2) In determining whether an investigation should be commenced under paragraph (1), the Trade Committee shall, if an investigation application falls under any of the following cases, dismiss such investigation application: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 20720, Feb. 29, 2008>

- 1. Where a person who files a request for an investigation is not a person entitled to request the assessment of anti-dumping duties under Article 59 (1);

2. Where adequate evidential data with respect to the fact of dumping and the fact of material injury, etc. caused thereby are not submitted;
3. Where the dumping margin or the import quantity of dumping goods falls short of the standards prescribed by Ordinance of the Ministry of Strategy and Finance and material injury, etc. caused thereby are deemed insignificant;
4. Where the total production quantity of domestic producers expressing their support for the relevant investigation application falls short of the standards prescribed by Ordinance of the Ministry of Strategy and Finance;
5. Where measures are taken to eliminate harmful effects on the domestic industry or a planned investigation becomes unnecessary prior to the commencement of the investigation.

(3) When the Trade Committee determines to commence an investigation under paragraph (1), it shall notify the applicant for such investigation, the Government of the supplying country of the relevant goods, a supplier and other interested persons of matters concerning the determination of the investigation commencement; and shall publish such matters in the Official Gazette within ten days from the day on which the determination is made to commence the investigation.

(4) The Trade Committee may make selections with regard to tariff classification, etc. of goods subject to investigation under paragraph (1) 1 in consultation with the Commissioner of the Korea Customs Service.

*<Newly Inserted by Presidential Decree No. 24373, Feb. 15, 2013>*

#### **Article 61 (Investigation of Dumping and Material Injury, etc.)**

(1) The Trade Committee shall take charge of investigating the fact of dumping, the fact of material injury, etc. caused thereby under Article 52 of the Act. In such cases, the Trade Committee may, if deemed necessary, have public officials working for administrative agencies concerned or related experts participate in investigation activities.

(2) The Trade Committee shall conduct a preliminary investigation into whether there is adequate evidence presuming the existence of the fact of dumping and the fact of material injury, etc. caused thereby; and shall report the results thereof to the Minister of Strategy and Finance within three months from the day on which the matters concerning the determination of the investigation commencement are published in the Official Gazette under Article 60 (3). *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) The Minister of Strategy and Finance shall determine whether measures should be taken under Article 53 (1) of the Act and the contents thereof, within one month from the day on which the results of the preliminary investigation are reported under paragraph (2): Provided, That, if deemed necessary, the period of one month may be extended within the limit of 20 days. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(4) Where the dumping margin or the import quantity of dumping goods falls short of the standards prescribed by Ordinance of the Ministry of Strategy and Finance or the material injury, etc. caused thereby is deemed insignificant, the Trade Committee shall terminate a full-scale investigation thereon under



paragraph (5). In such cases, the Minister of Strategy and Finance shall post the matters related to the termination of the full-scale investigation on the Official Gazette. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010>*

(5) The Trade Committee shall commence a full-scale investigation beginning from the day following the day on which the results of a preliminary investigation are reported under paragraph (2) unless special grounds prescribed by Ordinance of the Ministry of Strategy and Finance exist that make it impossible to do so and the results of such full-scale investigation shall be reported to the Minister of Strategy and Finance within three months from the day on which the full-scale investigation commences. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(6) Where necessary to extend the investigation period in connection with the investigation described in paragraphs (2) and (5) and any interested person requests the extension of the investigation period, citing good cause, the Trade Committee may extend the investigation period by up to two months.

(7) Where the Minister of Strategy and Finance receives the results of a full-scale investigation prescribed in paragraph (5), he/she shall determine whether anti-dumping duties should be assessed and substances thereof, within 12 months from the date on which such results are published in the Official Gazette under Article 60 (3); and take measures to assess anti-dumping duties in accordance with Article 51 of the Act: Provided, That where any special reason is deemed existing, he/she may take measures to assess anti-dumping duties within 18 months from the date of publication in the Official Gazette. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 25224, Mar. 5, 2014>*

(8) Deleted. *<by Presidential Decree No. 25224, Mar. 5, 2014>*

(9) The Trade Committee may, if deemed necessary, recommend the following matters to the Minister of Strategy and Finance when it reports the results of the investigation required by paragraphs (2) and (5): *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 27952, Mar. 27, 2017>*

1. The assessment of anti-dumping duties under Article 51 of the Act;
2. The provisional measure under Article 53 (1) of the Act;
3. The proposal or acceptance of pledge under Article 54 (1) of the Act.

(10) Except as otherwise provided for in this Decree, other necessary matters concerning the procedure for investigation shall be publicly notified by the Trade Committee, subject to the consultation with the Minister of Strategy and Finance. *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>*

#### **Article 62 (Withdrawal of Request for Assessing Anti-Dumping Duties)**

(1) Any person who has applied for an investigation under Article 59 (1) shall, when he/she intends to withdraw such application, file a written notice to that effect with the Trade Committee. In such cases, when Trade Committee receives such written notice before the results of a preliminary investigation are reported under Article 61 (2), the Committee may suspend determination whether an investigation should be commenced under Article 60 (1) or may terminate the preliminary investigation under Article 61 (2), after consulting with the Minister of Strategy and Finance and the heads of administrative agencies

concerned; and when the Trade Committee receives such written notice after the results of a preliminary investigation are reported under Article 61 (2), the Committee shall file a notice thereon with the Minister of Strategy and Finance. <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 20720, Feb. 29, 2008>

(2) The Minister of Strategy and Finance may, when he/she receives a notice referred to in paragraph (1), get the investigation under Article 61 terminated after consulting with the Trade Committee and the heads of administrative agencies concerned and withdraw the provisional measures, if taken, under Article 53 (1) of the Act. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(3) The Minister of Strategy and Finance shall, when he/she withdraws the provisional measure in accordance with the latter part of paragraph (2), refund anti-dumping duties paid and rescind security offered according to such provisional measure. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

### **Article 63 (Determination Whether Material Injury, etc. Exists)**

(1) When the Trade Committee investigates and determines whether the fact of material injury, etc. exists in accordance with Article 61, the Committee do so based on concrete evidence and the following matters:

1. The import quantity of dumping goods (including whether the import of the relevant goods absolutely or markedly increases in comparison with the domestic production or domestic consumption);
2. The price of dumping goods (including whether the price of dumping goods markedly falls in comparison with the domestic price of the goods of the same kind);
3. The extent of dumping margin (including whether the import price of dumping goods markedly falls in comparison with the normal price of the exporting country thereof);
4. The output, operating rate, inventory, sale quantity, market share and price (including the effect of curbing price fall or price raising), profits, productivity, investment return, cash flow, employment, wages, growth, capital financing, investment capability and technology development of the domestic industry;
5. The actual and potential effect of the contents of subparagraphs 1 and 2 on the domestic industry.

(2) Where the material injury, etc. is investigated and determined in accordance with paragraph (1), determination as to whether the domestic industry is feared to suffer the material injury, etc. shall be made based on the fact, including the following matters, other than the matters of each subparagraph of paragraph (1); and the injury caused by any dumping goods shall be expectable and obviously urgent:

1. Remarkable increasing rate of dumping goods indicating the potential of substantially growing imports;
2. Substantial expansion of the production capacity indicating the potential of substantially boosting dumping exports to Korea (the export potential to other countries shall be taken into account);
3. Whether the price of dumping goods brings down or curbs the price of the goods of the same kind and the potential of increasing additional import demand;
4. Inventory of dumping goods and that of the goods of the same kind.

(3) In investigating and determining the fact of material injury, etc. in accordance with paragraph (1), if any goods imported from not less than two countries are made subject to an investigation at the same time and fall under each case of the following subparagraphs, the Trade Committee may cumulatively assess the injury caused by such import: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Where the dumping margin and the import quantity of dumping goods fall under the standards prescribed by Ordinance of the Ministry of Strategy and Finance;
2. Where the dumping goods are competitive with each other and with the domestic goods of the same kind.

(4) The Trade Committee shall investigate factors other than the dumping, which inflict any damage on the domestic industry and shall not deem that any industrial damage, etc. caused by such factors has resulted from any dumping.

#### **Article 64 (Request for Cooperation of Interested Persons in Data)**

(1) When deemed necessary for the investigation under Article 52 of the Act and for determination as to whether anti-dumping duties, etc. are assessed, the Minister of Strategy and Finance or the Trade Committee may request necessary cooperation from administrative agencies concerned, domestic producers, suppliers, importers and interested persons, to furnish relevant data, etc.: Provided, That when any supplier is inquired as to whether he/she has been involved in dumping goods, he/she shall be given a period of not less than 40 days from the day on which a written inquiry is delivered to him/her for answering such inquiry; and if the relevant supplier requests for extending such period, citing the grounds therefor, proper consideration shall be given to his/her request. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(2) With respect to data, from among the data furnished in accordance with paragraph (1) and Article 59 (4), which are deemed appropriate to be handled confidentially in light of their nature or are requested by any person applying for an investigation or any interested person who cites good cause therefor to be handled confidentially, the Minister of Strategy and Finance or the Trade Committee shall not disclose such data without the explicit consent of any person who has submitted such data. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) The Minister of Strategy and Finance or the Trade Committee may ask any person who has furnished the data requested to be handled confidentially under paragraph (2) to furnish a summary of such data, which contains no secrets of the data. In such cases, if such person is unable to furnish the summary of the relevant data, he/she shall submit a document stating the reasons therefor. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(4) Where any person who has furnished the data refuses to disclose such data without good cause or to submit a summary of such data, which contains no secrets of the data under paragraph (3) although the request made under paragraph (2) that the data submitted be handled confidentially is deemed unjustifiable, the Minister of Strategy and Finance or the Trade Committee may decide not to use such data as a reference unless the accuracy of the data is fully verified. *<Amended by Presidential Decree No.*

20720, Feb. 29, 2008>

(5) In determining whether an investigation should be commenced under Article 52 of the Act or anti-dumping duties should be assessed, if any interested person fails to furnish the relevant data or rejects or obstructs an investigation conducted by the Trade Committee and it is impracticable to investigate or verify any data because of other reasons, the Minister of Strategy and Finance or the Trade Committee may determine whether measures to prevent any dumping should be taken, using available data, etc..

<Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(6) The Minister of Strategy and Finance or the Trade Committee shall be prohibited from using any information and materials acquired from any interested person and facts learnt in connection with procedures for the assessment of anti-dumping duties for other purposes. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(7) Where any interested person asks for a perusal of the data other than the data requested to be handled confidentially from among the related evidential data submitted under Article 59 (4) and the data furnished or reported under paragraph (1) and Article 68, the Minister of Strategy and Finance or the Trade Committee shall comply with such request unless special reasons exist that make it impossible for him/her and it to do so. In such cases, the request by the interested person for the perusal of the data shall be made in writing, stating the reasons therefor and the list of data. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(8) When deemed necessary or there is a request from any interested person, the Minister of Strategy and Finance or the Trade Committee may give such interested person an opportunity to state his/her opinion at a public hearing, etc. or persons in conflict of their interests an opportunity to consult with each other.

<Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 65 (Assessment of Anti-Dumping Duties)**

(1) Any anti-dumping duties prescribed in Article 51 of the Act shall be assessed based on the rates of anti-dumping duties and the base import price prescribed by supplier and supplying country within the scope necessary to remedy actual damage, etc.: Provided, That with respect to any supplier who fails to furnish the data under Article 64 without good cause or refuses to disclose such data and it is impracticable to investigate or verify the data for other reasons, a single rate of anti-dumping duties or a single base import price shall be prescribed and then anti-dumping duties shall be assessed against him/her based on the single rate of anti-dumping duties or such single base import price. <Amended by Presidential Decree No. 22086, Mar. 26, 2010>

(2) With respect to any supplier not selected for an investigation under Article 60 (1), anti-dumping duties shall be assessed against him/her based on the rate of anti-dumping duties or a base import price, which is weighted-averaged by the rate of anti-dumping duties or a base import price for the supplier selected for an investigation, as prescribed by Ordinance of the Ministry of Strategy and Finance: Provided, That any person who furnishes the data under Article 64, from among persons who export goods during an investigation period and are not selected for an investigation, shall be governed by paragraph (1).

*<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) Where anti-dumping duties are assessed against a supplying country designated in accordance with Article 51 of the Act, if a new supplier of the relevant supplying country which exports goods after an investigation period under Article 60 (1) has a special relation provided for in Article 23 (1) with an existing supplier who is subject to assessment of the anti-dumping duties under paragraph (1), anti-dumping duties shall be assessed against the new supplier, based on the rate of anti-dumping duties or the base import price applied to the existing supplier: Provided, That if the new supplier proves that he/she is not in a special relation with the existing supplier, anti-dumping duties may be assessed against him/her based on the rate of anti-dumping duties or a base import price, both of which are separately prescribed based on the result of an investigation. In such cases, the methods and procedures for the relevant investigation may be different from the existing method and procedures, as prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 20720, Feb. 29, 2008>*

(4) Where any investigation on a new supplier commences pursuant to the proviso to paragraph (3), the head of a customs office may receive security from a person who imports goods supplied by the new supplier and then defer the assessment of anti-dumping duties by the date when the investigation is completed. *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>*

(5) The rate of anti-dumping duties or base import price set under the proviso to paragraph (3) shall apply from the date the relevant investigation commences. *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>*

(6) Articles 68 (1) through (3), (5) and (6) shall apply mutatis mutandis to the pledge of price adjustment and export suspension, etc. by the new supplier, the investigation of which has commenced pursuant to the proviso to paragraph (3). In such cases, the term "the results of a full-scale investigation under Article 61 (5)" in the former part of Article 68 (1) shall be deemed "the termination of the investigation under the proviso to Article 65 (3)". *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>*

(7) The base import price referred to in paragraphs (1) through (3) shall be determined within the limit of an amount obtained by adding the import-related cost to the normal price of a supplying country, which is adjusted in accordance with Article 58 (5).

#### **Article 66 (Application of Provisional Measure)**

(1) Where it is confirmed as a result of a preliminary investigation under Article 61 (2) that adequate evidence presuming the fact of dumping and the fact of material injury, etc. caused thereby exists, the provisional measure as prescribed in Article 53 (1) of the Act may be applied after the day on which at least 60 days expire from the day on which the relevant investigation was launched.

(2) The application period of the provisional measure as prescribed in Article 61 (3) shall be not more than four months: Provided, That such period may be extended up to six months if a supplier having a great influence in the trade of the relevant goods files a request to that effect.

(3) Notwithstanding paragraph (2), the application period of the provisional measure may be extended by up to nine months in accordance with conventions if the Minister of Strategy and Finance deems it necessary to do so, such as where an investigation is conducted on whether damage to the domestic industry can be eliminated even by assessing customs duties below the amount equivalent to dumping margin. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 27952, Mar. 27, 2017>

(4) Security offered in accordance with Article 53 (1) of the Act, which falls under Article 24 (1) 1 through 4 and 7 of the Act, shall be an amount equivalent to the amount of provisional anti-dumping duties. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

#### **Article 67 (Settlement of Amount of Provisional Anti-Dumping Duties)**

(1) Where the amount of anti-dumping duties assessed on the goods imported during a period in which the provisional measure is applied in accordance with Article 53 (3) of the Act, which falls under Article 69 (1), is equal to or exceeds the amount of provisional anti-dumping duties, the latter shall be deemed the former and any difference between them shall not be collected. Where the amount of anti-dumping duties is lower than that of the provisional anti-dumping duties, the amount of provisional anti-dumping duties, which is equivalent to a difference, shall be refunded.

(2) Where security offered under Article 53 (1) of the Act falls under Article 69 (1), the amount of anti-dumping duties to be assessed retroactively during a period in which the relevant provisional measure is applied shall not exceed an amount equivalent to the amount of the provisional anti-dumping duties.

(3) Where the pledge described in Article 68 (1) is accepted after the existence of the fact of dumping the relevant goods and the fact of material injury, etc, caused thereby is confirmed as a result of a full-scale investigation described in Article 61 (5) and the investigated final dumping rate is equal or exceeds the rate of the provisional anti-dumping duties, a difference accruing from the two different rates shall not be collected. Where the rate of the former is lower than that of the latter, the amount of provisional anti-dumping duties, which is equivalent to a difference between them, shall be refunded.

#### **Article 68 (Pledge of Price Adjustment and Export Suspension)**

(1) Where an exporter of any goods on which an investigation is launched to determine whether anti-dumping duties thereon are assessed, intends to propose the pledge as prescribed in Article 54 (1) of the Act or to request the continuation of an investigation into injury under the proviso to Article 54 (2) of the Act, he/she shall file a written request therefor with the Trade Committee before a final decision is made according to the results of a full-scale investigation under Article 61 (5). In such cases, the Trade Committee shall serve without delay original copies of documents submitted on the Minister of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(2) Where the pledge offered under paragraph (1) goes to the effect that the price in question is immediately adjusted and the dumping export in question is suspended within six months from the date of pledge, the Minister of Strategy and Finance may accept such pledge: Provided, That the same shall not apply to cases where it is deemed impracticable to secure the fulfillment of such pledge, which is

prescribed by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(3) The Minister of Strategy and Finance may, when deemed necessary, designate an exporter and propose that such exporter adjust the price of his/her export goods in accordance with Article 54 (1) of the Act. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(4) The Minister of Strategy and Finance shall not accept the pledge under paragraph (2) or propose the pledge under paragraph (3) before it is confirmed as a result of a preliminary investigation under Article 61 (2) that there is adequate evidence presuming the existence of the fact of dumping and the fact of material injury, etc. caused thereby. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(5) Where any exporter fails to fulfill his/her pledge accepted under Article 54 (2) of the Act, the Minister of Strategy and Finance may promptly take measures classified as follows to prevent any dumping. In such cases, Article 66 (2) and (3) shall apply mutatis mutandis to the period for application of the measures referred to in subparagraph 2: <Amended by Presidential Decree No. 27952, Mar. 27, 2017>

1. Where the details of assessment, such as the rate of anti-dumping duties, are determined by conducting a continuous investigation under the proviso to Article 54 (2) of the Act: Assessment of anti-dumping duties;

2. In cases not falling under subparagraph 1: Provisional measures under Article 53 (1) 2 of the Act.

(6) Where the Minister of Strategy and Finance confirms as a result of the continued investigation under the proviso to Article 54 (2) of the Act that the fact of any material injury, etc. or any dumping margin is nonexistent, the effect of the relevant pledge shall be deemed extinguished: Provided, That if it is judged that the nonexistence of material injury, etc. and the dumping margin have been caused by the pledge, the Minister of Strategy and Finance may keep the pledge fulfilled for a properly fixed period and, if the exporter refuses to fulfill his/her pledge, the Minister of Strategy and Finance may take prompt measures to prevent the dumping, including taking the provisional measures, on the basis of the best available information. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 69 (Retroactive Assessment of Anti-Dumping Duties)**

(1) Goods to which the provisional measure is applied under the proviso to Article 55 of the Act and on which anti-dumping duties are assessed, shall be as follows: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 27952, Mar. 27, 2017>

1. Where the existence of material injury, etc. is finally confirmed, or it is finally confirmed that such material injury, etc. is feared to occur, but it is finally confirmed that a lack of the provisional measure causes the existence of such material injury, etc., goods imported during a period in which the provisional measures is applied;

2. Where it is necessary to assess retroactively anti-dumping duties to prevent a recurrence of the material injury, etc. caused by a massive import during a relatively short period, the relevant goods were dumped, causing the material injury, etc. in the past or an importer has learned or could have learned the fact of dumping and the fact of material injury, etc caused thereby, goods imported since 90 days prior

to the day on which the provisional measure is applied;

3. Where the material injury, etc. caused by the import of goods subject to the application of the provisional measure in violation of the pledge described in Article 54 (1) of the Act (hereafter in this subparagraph referred as "pledge") is confirmed, goods imported since 90 days prior to the day on which the provisional measure is applied (where the Minister of Strategy and Finance deems it necessary, they may be limited to goods in violation of the pledge). In such cases, goods imported before the day on which the pledge is broken shall be excluded herefrom;

4. Goods imported during a period fixed by the Minister of Strategy and Finance in accordance with conventions.

(2) Any person interested in the domestic industry prescribed in Article 59 may request the assessment of anti-dumping duties in accordance with the proviso to Article 55 of the Act by presenting the evidence that the relevant goods fall under each subparagraph of paragraph (1) within seven days from the day on which he/she is notified of a final decision made based on a result of a full-scale investigation under Article 61 (5).

#### **Article 70 (Review of Anti-Dumping Duties and Pledge)**

(1) Where deemed necessary, or whether any interested person or the competent minister in charge of the relevant industry files a request along with evidential data appended with respect to any case falling under the following subparagraphs, the Minister of Strategy and Finance shall determine whether the goods on which anti-dumping duties are assessed or the pledge thereon is fulfilling, should be reviewed under Article 56 (1) of the Act: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 20720, Feb. 29, 2008>

1. Where circumstantial changes fully deemed necessary to modify the contents thereof take place, after anti-dumping duties are assessed and the pledge thereon is fulfilled;

2. Where dumping or any damage to the domestic industry continues or is feared to re-occur due to the expiration of anti-dumping duties and the pledge thereon;

3. Where the amount of anti-dumping duties is paid in excess of the amount of actual dumping margin.

(2) Any request for a review prescribed in paragraph (1) may be made after the expiration of one year from the day on which the relevant anti-dumping duties are assessed or the pledge thereon enters into force; and such request shall be made before six months from the day on which the effect of anti-dumping duties or the pledge thereon is lost. In such cases, the Minister of Strategy and Finance shall determine whether the review is required, within two months from the day on which a request is filed for such review; shall notify the matters on determination as to the review to the person who has requested the review, the Government of the supplying country of the relevant goods and the supplier, and other interested persons; and then shall post them on the Official Gazette. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010>

(3) In addition to the cases of the review prescribed in paragraph (1), the Minister of Strategy and Finance may review the appropriateness of any anti-dumping duties and any pledge thereon in force, and to that



end, he/she shall review the dumping price in connection with the details of anti-dumping duties or the pledge thereon (including details modified according to the review) in the month of every year to which the enforcement date thereof belongs. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(4) When the Minister of Strategy and Finance determines whether the review is required pursuant to paragraph (1) or (3), he/she may consult with the heads of the relevant administrative agencies and the Trade Committee; and when the Minister of Strategy and Finance determines that such review is required, the Trade Committee shall investigate any anti-dumping duties and any pledge. In such cases, such investigation shall be limited to the part of any anti-dumping duties and any pledge, which forms the grounds for such review. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(5) The Trade Committee shall terminate the investigation referred to in paragraph (4) within six months from the day on which the relevant review is launched, and shall report the results thereof to the Minister of Strategy and Finance: Provided, That the Trade Committee may, if deemed necessary to extend the investigation period or any interested person requests the extension thereof, citing good cause, extend the investigation period within the limit of four months. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(6) If the Minister of Strategy and Finance receives the results of an investigation under paragraph (5), he/she shall determine whether any measures should be taken and the substances thereof under Article 56 (1) of the Act within 12 months from the date on which such results are published under the latter part of paragraph (2), and shall take necessary measures. *<Amended by Presidential Decree No. 25224, Mar. 5, 2014>*

(7) Where the review is conducted for the reason of paragraph (1) 2, even where the time limit applied to the relevant anti-dumping measure expires during the review period, the effect of such anti-dumping measure shall continue to be valid during such review period.

(8) When the Minister of Strategy and Finance assesses new anti-dumping duties or enforces such pledge as price adjustment or export suspension for goods, which anti-dumping duties have been continuously assessed upon during the review period under paragraph (7), such accounts may be settled according to Article 67 (1) and (3). *<Newly Inserted by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 20720, Feb. 29, 2008>*

(9) When it is judged as a result of the review under paragraph (1) or (3) that the effectiveness of the pledge is lost or feared to be lost, the Minister of Strategy and Finance may request any exporter who is committed to the pledge to modify such pledge; and if the exporter refuses to modify the pledge, an anti-dumping measure against him/her may be taken, based on available information. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(10) The Minister of Strategy and Finance may have the Commissioner of the Korea Customs Service investigate the matters prescribed by Ordinance of the Ministry of Strategy and Finance and report back the outcomes thereof to him/her for the review referred to in paragraph (1) or (3). *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(11) Where a person that has made a request for the review pursuant to paragraph (1) intends to withdraw the relevant request, he/she shall submit his/her intent in writing to the Minister of Strategy and Finance. In such cases, the Minister of Strategy and Finance may suspend determination as to whether the review should be commenced under paragraph (2) in consultation with the Trade Committee and the head of a related administrative agency or may request them to conclude an investigation under paragraph (4).

*<Newly Inserted by Presidential Decree No. 24373, Feb. 15, 2013>*

(12) Article 64 shall apply mutatis mutandis to the request for the cooperation to data required to conduct an investigation prescribed in paragraph (4), Article 65 shall apply mutatis mutandis to the assessment of anti-dumping duties, among measures taken by the Minister of Strategy and Finance as a result of the review under Article 56 (1) of the Act, and the former part of Articles 68 (1), 68 (2), (3), (5) and (6) shall apply mutatis mutandis to the pledge of price adjustment, export suspension, etc. In such cases, "the results of a full-scale investigation under Article 61 (5)" in the former part of Article 68 (1) shall be deemed "the termination of the investigation under Article 70 (5)," and "the Trade Committee" shall be deemed "the Minister of Strategy and Finance". *<Amended by Presidential Decree No. 22086, Mar. 26, 2010>*

#### **Article 71 (Notice to Interested Person and Publication, etc.)**

(1) Where the Minister of Strategy and Finance takes measures falling under each of the following subparagraphs, he/she shall publish details thereof in the Official Gazette and shall serve a written notice thereon on any interested person: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010>*

1. Where he/she determines to take measures as prescribed in Articles 51 and 53 (1) of the Act or determines not to take such measures;
2. Where he/she suspends or terminates an investigation after accepting the pledge under Article 54 (1) of the Act or continues the investigation;
3. Where he/she modifies the details of an anti-dumping measure as a result of the review under Article 56 (1) of the Act;
4. Where he/she extends the effect of an anti-dumping measure under Article 70 (7).

(2) In each of the following cases, the Minister of Strategy and Finance or the Trade Committee shall notify any interested person of the details thereof: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 25224, Mar. 5, 2014>*

1. Where an investigation application is dismissed under Article 60 (2) or an investigation is terminated under Article 61 (4);
2. Where a preliminary decision is made in accordance with the findings of a preliminary investigation under Article 61 (2);
3. Where a final decision is made in accordance with the findings of a full-scale investigation under Article 61 (5);
4. Where the investigation period is extended in accordance with Article 61 (6) and the proviso to Article 70 (5);

5. Where the period is extended in accordance with the proviso to Article 61 (7);
  6. Where, because a request for assessing anti-dumping duties or a request for a review is withdrawn under Articles 62 and 70 (11), determination as to whether the relevant investigation or review should be commenced, is suspended, or the relevant investigation is terminated;
  7. Where the application period of the provisional measure is extended under Article 66 (2) or (3);
  8. Where the Minister of Strategy and Finance proposes the pledge under Article 68 (3).
- (3) Where any interested person files a written request in connection with an investigation under Article 61 in the process of such investigation, the Minister of Strategy and Finance or the Trade Committee shall notify such interested person of the progress of the investigation. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 72 (Subsidies, etc.)**

- (1) Subsidies, etc. under Article 57 of the Act (hereinafter referred to as "subsidies, etc.") mean those having the nature of specification from among financial benefits provided by the Government and public institutions, etc: Provided, That subsidies and bounties prescribed by Ordinance of the Ministry of Strategy and Finance shall be excluded herefrom. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>
- (2) "Nature of specification" in paragraph (1) means cases where subsidies, etc. are paid to specific companies or industries or a group of specific companies or a group of specific industries and a specific distinction criteria shall be prescribed by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>
- (3) The amount of subsidies, etc. shall be calculated based on financial benefits that beneficiaries actually receive as prescribed by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 73 (Request for Assessment of Countervailing Duty)**

- (1) Persons interested in the domestic industry that suffers material injury, etc. as prescribed by Article 57 of the Act or the minister of the competent ministry having jurisdiction over the relevant domestic industry may ask the Minister of Strategy and Finance to assess a countervailing duty as prescribed by Ordinance of the Ministry of Strategy and Finance; and such request shall be deemed a request filed with the Trade Committee for an investigation necessary to assess such countervailing duty. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>
- (2) In the application of Article 57 of the Act, the domestic industry shall be the whole of the domestic production business (the production business run by a producer in a special relation under Article 23 (1) with the Government of an exporting country, or an exporter or an importer of the relevant imported goods and the production business run by an importer of the relevant imported goods who is also a producer prescribed by Ordinance of the Ministry of Strategy and Finance may be excluded herefrom; hereafter the same shall apply in this paragraph) of the goods for which subsidies, etc. are paid or the domestic production business that accounts for a substantial portion of the quantity of total domestic production of such goods and other goods of the same kind. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(3) "Persons interested in the domestic industry" in paragraph (1) means domestic producers or individuals belonging to the domestic industry that suffers material injury, etc., any corporation and organization, both of which are established by such domestic producers and individuals for the purpose of speaking for their interests. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(4) Any person interested in the domestic industry that suffers material injury, etc. due to the import of goods for which subsidies, etc. are paid shall, when he/she intends to file an application for an investigation thereof, file an application stating the following matters, appended by related evidential data, with the Trade Committee: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. The name, standard, characteristics, the purpose of use, producer and production quantity of the relevant goods;
2. Exporting country, exporter, export performance, export potential of the relevant goods, and importer, import performance and import potential of the relevant goods in Korea;
3. Factory price and market price of the relevant goods in an exporting country and the export price of the relevant goods to Korea and third countries;
4. The name, standard, characteristics, the purpose of use, producer, production quantity, factory price, market price and cost accounting of the domestic goods of the same kind or quality or similar goods;
5. Matters concerning material injury, etc. suffered by the related domestic industry due to the import of goods for which subsidies, etc. are paid;
6. Details of subsidies, etc. paid for manufacturing, producing, or exporting the relevant goods in an exporting country and the ensuing effect of bringing down their export price;
7. The extent of support by the domestic producers of the goods of the same kind or quality for the relevant investigation application;
8. If appended data are required to be handled confidentially, the reasons therefor;
9. Other matters deemed necessary by the Minister of Strategy and Finance.

#### **Article 74 (Investigation of Import of Subsidized Goods and Material Injury, etc.)**

(1) The Trade Committee shall, upon receiving an investigation application under the latter part of Article 73 (1), determine whether an investigation into the fact of importing goods for which subsidies, etc. are paid and the fact of material injury, etc. caused thereby, should be commenced; and shall notify the Minister of Strategy and Finance of the findings of such investigation and the following matters within two months from the day on which the above referenced investigation application is received: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Goods subject to the investigation (if goods subject to the investigation are many in number, goods selected as prescribed by Ordinance of the Ministry of Strategy and Finance);
2. The investigation period;
3. The Government of a country exporting goods subject to the investigation or an exporter (if the Government of a country exporting such goods or an exporter is many in number, the governments or exporters selected as prescribed by Ordinance of the Ministry of Strategy and Finance).

(2) In determining whether an investigation should be commenced under paragraph (1), the Trade Committee may, if an investigation application falls under any of the following subparagraphs, dismiss the relevant investigation application: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Where a person who files an investigation application is not eligible for requesting the assessment of a countervailing duty under Article 73 (1);
  2. Where adequate evidential data concerning the fact of importing goods for which subsidies, etc. are paid and the fact of material injury, etc. caused thereby is not submitted;
  3. Where the amount of subsidies, etc. or the quantity of imported goods for which subsidies, etc. are paid falls short of the criteria prescribed by Ordinance of the Ministry of Strategy and Finance and material injury, etc. is deemed insignificant;
  4. Where the aggregate quantity of production by domestic producers expressing their support for the relevant investigation application is deemed to fall short of the criteria prescribed by Ordinance of the Ministry of Strategy and Finance;
  5. Where measures are taken to get rid of any adverse effect on the domestic industry before an investigation commences, making it unnecessary to launch an investigation.
- (3) The Trade Committee shall, when it determines to commence an investigation under paragraph (1), notify an investigation applicant, the Government of a country exporting the relevant goods, an exporter and any interested person of the matters concerning the determination on the commencement of such investigation and publish such matters in the Official Gazette within ten days from the day on which it determines to commence such investigation.

**Article 75 (Investigation of Import of Subsidized Goods and Material Injury, etc.)**

(1) The Trade Committee shall take charge of any investigation into the fact of importing goods for which subsidies, etc. are paid and the fact of material injury, etc. caused thereby under Article 57 of the Act. In such cases, the Trade Committee may, when deemed necessary, have public officials working for administrative agencies concerned or related experts participate in investigation activities.

(2) The Trade Committee shall make a preliminary investigation into whether there is adequate evidence presuming the existence of the fact of importing goods for which subsidies, etc. are paid and the fact of material injury, etc. caused thereby within three months from the day on which the matters concerning the assessment of a countervailing duty under Article 74 (3) and the determination on the commencement of an investigation are published in the Official Gazette and report the results of such investigation to the Minister of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) The Minister of Strategy and Finance shall determine the matters concerning whether it is necessary to take the measure described in Article 59 (1) of the Act and the contents thereof within one month from the day on which the results of a preliminary investigation under paragraph (2) are reported: Provided, That the period of one month may, if deemed necessary, be extended within the limit of 20 days. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(4) Where the amount of subsidies, etc. or the quantity of imported goods for which subsidies, etc. are paid falls short of the standards prescribed by Ordinance of the Ministry of Strategy and Finance or material injury, etc. is deemed insignificant as a result of a preliminary investigation under paragraph (2), the Trade Committee shall terminate the full-scale investigation under paragraph (5). *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(5) The Trade Committee shall commence a full-scale investigation beginning from the day following the day on which the results of a preliminary investigation under paragraph (2) are reported unless special reasons prescribed by Ordinance of the Ministry of Strategy and Finance exist that make it impossible for it to commence such investigation and report the results of such full-scale investigation to the Minister of Strategy and Finance within three months from the day on which the full-scale investigation is launched. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(6) The Trade Committee may, when it is necessary to extend the investigation period in connection with the investigation under paragraphs (2) and (5) or any interested person requests the extension thereof, citing good cause, extend such period within the limit of two months.

(7) The Minister of Strategy and Finance shall determine whether a countervailing duty should be assessed and the contents thereof, and shall take a measure to assess such countervailing duty in accordance with Article 57 of the Act within one month from the day on which the results of the full-scale investigation under paragraph (5) are received: Provided, That if deemed necessary, the period of one month may be extended within the limit of 20 days. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(8) The Minister of Strategy and Finance shall take a measure to assess a countervailing duty referred to in paragraph (7) within one year from the day on which the matters concerning the determination on the commencement of an investigation under Article 74 (3) are published in the Official Gazette: Provided, That when special reasons are deemed to exist, notwithstanding the provisions of Articles 74 (1) and 75 (2) and (5) through (7), the Minister of Strategy and Finance may take the measure to assess such countervailing duty within 18 months from the day on which the matters concerning the determination on the commencement of such investigation are published in the Official Gazette. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(9) The Trade Committee may, if deemed necessary, recommend the following matters to the Minister of Strategy and Finance when it reports the results of the full-scale investigation under paragraphs (2) and (5): *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. The provisional measure under Article 59 (1) of the Act;
2. The assessment of a countervailing duty under Article 57 of the Act;
3. The proposal of the pledge under Article 60 (1) of the Act.

#### **Article 76 (Withdrawal of Request for Assessment of Countervailing Duty)**

(1) Any person who has applied for an investigation under Article 73 (1) shall, when he/she intends to withdraw such application, file a written notice thereon with the Trade Committee. In such cases, when the Trade Committee receives a written withdrawal notice before the results of a preliminary investigation

under Article 75 (2) are reported, the Committee may suspend determination as to whether an investigation should be commenced under Article 74 (1), or may terminate the relevant investigation under Article 75 (2), after consulting with the Minister of Strategy and Finance and the heads of administrative agencies concerned; and when The Trade Committee receives such written withdrawal notice after the results of such preliminary investigation are reported, the Committee shall file a notice thereon with the Minister of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(2) The Minister of Strategy and Finance may, upon receiving the notice referred to in paragraph (1), get the investigation under Article 75 terminated after consulting with the Trade Committee and the heads of administrative agencies concerned and withdraw the provisional measure, if taken under Article 59 (1) of the Act. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) The Minister of Strategy and Finance shall, when he/she withdraws the provisional measure in accordance with the latter part of paragraph (2), refund any provisional countervailing duty paid according to the relevant provisional measure and rescind any security offered. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

#### **Article 77 (Decision on Material Injury, etc.)**

(1) When the Trade Committee investigates and determines the fact of material injury, etc. in accordance with Article 75, the Committee shall do so based on substantial evidence, including the following matters:

1. Import quantity of goods for which subsidies, etc. are paid (including whether the import of the relevant goods markedly and absolutely increases in comparison with the domestic production or the domestic consumption);
2. The price of goods for which subsidies, etc. are paid (including whether such price markedly falls in comparison with that of the domestic goods of the same kind);
3. The extent of the amount of subsidies, etc. (including whether the import price of goods for which subsidies, etc. are paid markedly falls in comparison with the normal price of the exporting country);
4. The output, operating rate, inventory, sale quantity, market share, price (including the effect of bringing down price or curbing price), profits, productivity, investment return, cash flow, employment, wages, growth, capital financing, investment capability and technology development of the domestic industry;
5. The actual and potential effect of the contents of subparagraphs 1 and 2 on the domestic industry.

(2) Where material injury, etc. is investigated and determined under paragraph (1), determination as to whether the domestic industry is feared to suffer material injury, etc. shall be made based on the fact including the following matters other than the matters of each subparagraph of paragraph (1); and the injury caused by any goods for which subsidiaries, etc. are paid shall be expectable and obviously urgent:

1. The characteristic of the relevant subsidies, etc. and the trade effect resulting therefrom;
2. The remarkable growth rate of goods for which subsidies, etc. are paid, an indication of a potential growth in actual imports;

3. The substantial expansion of the production capacity which makes it possible to boost the export of goods for which subsidies, etc are paid to Korea (the potential of exporting goods to other countries shall be taken into account);
4. Whether the price of goods for which subsidies, etc. are paid brings down or curbs the price of the goods of the same kind, and the potential of increasing additional import demand;
5. The inventory of goods for which subsidies, etc. are paid and the current inventory of the goods of the same kind.

(3) In investigating and deciding the fact of material injury, etc. under paragraph (1), where goods imported simultaneously from not less than two countries are subjected to an investigation and fall under each of the following subparagraphs, the Trade Committee may cumulatively assess the injury caused thereby: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Where the amount of subsidies, etc. and the import quantity of goods for which subsidies, etc. are paid fall under the standards prescribed by Ordinance of the Ministry of Strategy and Finance;
2. Where goods for which subsidies, etc. are paid are in competition with each other and also with the domestic goods of the same kind.

(4) The Trade Committee shall investigate factors other than the import of goods for which subsidies, etc. are paid, which inflict injury on the domestic industry, and shall not deem that industrial injury, etc. caused by such factors has resulted from the import of goods for which subsidies, etc. are paid.

#### **Article 78 (Request for Interested Person's Cooperation in Data)**

(1) Where it is deemed necessary to determine whether an investigation should be commenced as prescribed in Article 58 of the Act and whether a countervailing duty, etc. should be assessed, the Minister of Strategy and Finance or the Trade Committee may request cooperation from administrative agencies concerned, the Government of any exporting country, any exporter, any importer and any interested person, to furnish relevant data, etc.: Provided, That, where the Minister of Strategy and Finance or the Trade Committee inquires of the Government of any exporting country or any exporter about whether subsidies, etc. are paid, the Minister or Committee shall give them a period of not less than 40 days for answering such inquiries. Where the Government of the exporting country or the exporter requests the extension of the above-referenced period, citing reasons therefor, proper consideration shall be given to such request. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(2) With respect to any data, from among the data furnished under paragraph (1) and Article 73 (4), which are deemed appropriate to be handled confidentially in light of their nature or are requested by any investigation applicant or any interested person to be handled confidentially, citing good cause, the Minister of Strategy and Finance or the Trade Committee shall not make public such data without the explicit consent of any person who has furnished the data. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) The Minister of Strategy and Finance or the Trade Committee may ask any person who has furnished the data requested to be handled confidentially under paragraph (2) to furnish a summary of such data,



which contains no secrets of the data. In such cases, if the person is unable to submit such summary, he/she shall submit a document citing the reasons therefor. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(4) Where any person who has furnished the data refuses to disclose such data without good cause or to furnish a summary of such data, which contains no secrets of the data under paragraph (3) although the request made under paragraph (2) that the data furnished be handled confidentially is deemed unjustifiable, the Minister of Strategy and Finance or the Trade Committee may decide not to use such data as a reference unless the accuracy of the data is fully verified. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(5) In determining whether an investigation is required under Article 58 of the Act or whether a countervailing duty should be assessed, if any interested person fails to furnish the relevant data or rejects or obstructs an investigation conducted by the Trade Committee and it is impracticable to investigate or verify any data because of other reasons, the Minister of Strategy and Finance or the Trade Committee may determine whether a measure should be taken to assess a countervailing duty, using available data, etc.. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(6) The Minister of Strategy and Finance or the Trade Committee shall be prohibited from using any information and data acquired from any interested person and facts learnt in connection with procedures for the assessment of any countervailing duty. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(7) Where any interested person asks for a perusal of the data other than the data requested to be handled confidentially from among the related evidential data furnished under Article 73 (4) and the data furnished or reported under paragraph (1) and Article 81, the Minister of Strategy and Finance or the Trade Committee shall comply with such request unless special reasons exist that make it impossible for him/her and it to do so. In such cases, the request by the interested person for the perusal of the data shall be made in writing, stating the reasons therefor and the list of data. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(8) The Minister of Strategy and Finance or the Trade Committee may, when deemed necessary or there is a request from any interested person, give such interested person an opportunity to state his/her opinion at a public hearing, etc. or persons in conflict of their interests an opportunity to consult with each other. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 79 (Assessment of Countervailing Duty)**

(1) Any countervailing duty as prescribed in Article 57 of the Act may be assessed based on the rates of countervailing duty prescribed by exporters or exporting countries: Provided, That with respect to any exporter who fails to furnish the data under Article 78 without good cause or refuses to disclose such data and it is impracticable to investigate or verify his/her data for other reasons, a single rate of countervailing duty may be prescribed and then a countervailing duty may be assessed against him/her based on such single rate.

(2) With respect to any exporter not selected to be subject to an investigation under Article 74 (1), a countervailing duty shall be assessed against him/her based on a countervailing duty rate which is weighted-averaged by a countervailing duty rate for an exporter selected to be subject to an investigation as prescribed by Ordinance of the Ministry of Strategy and Finance: Provided, That any person who furnishes the data under Article 78, from among persons who export goods during an investigation period and are not selected to be subject to an investigation, shall be governed by the provisions of paragraph (1).

*<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) Where a countervailing duty is assessed against an exporting country designated in accordance with Article 57 (1) of the Act, if a new exporter of the relevant exporting country which exports goods after an investigation period under Article 74 (1) is in a special relation as prescribed in Article 23 (1) with an existing exporter who is subject to the assessment of a countervailing duty under paragraph (1), a countervailing duty shall be assessed against the new exporter, based on the rate of countervailing duty applied to the existing exporter: Provided, That if the new exporter proves that he/she is not in a special relation with the existing exporter, a countervailing duty may be assessed against him/her, based on the rate of countervailing duty which is separately prescribed as a result of an investigation. In such cases, the method of and procedures for the relevant investigation may be different from the existing method and procedures as prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

#### **Article 80 (Application of Provisional Measures)**

(1) Where it is confirmed as a result of a preliminary investigation under Article 75 (2) that there is adequate evidence presuming the existence of the fact of the payment of subsidies, etc. and the fact of material injury, etc. caused thereby, the provisional measure as prescribed in Article 59 (1) of the Act may be applied after the day on which at least 60 days expire from the day on which the relevant investigation was launched.

(2) The application period of the provisional measure as prescribed in Article 75 (3) shall be not more than four months.

(3) Security offered in accordance with Article 59 (1) of the Act, which falls under Article 24 (1) 1 through 4 and 7 of the Act, shall be an amount equivalent to the amount of a provisional countervailing duty. *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

#### **Article 81 (Abolition or Cut of Subsidies, etc. and Pledge of Price Adjustment)**

(1) Where the Government of an export country or an exporter of any goods on which an investigation is launched to determine whether a countervailing duty should be assessed, intends to propose the pledge as prescribed in Article 60 (1) of the Act or to request the continuation of an investigation into injury under Article 60 (2) of the Act, such Government or exporter shall file a request therefor in writing with the Trade Committee before a final decision is made according to the results of a full-scale investigation under Article 75 (5). In such cases, the Trade Committee shall promptly serve original copies of documents submitted on the Minister of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29,*

2008>

(2) Where the pledge offered under paragraph (1) falls under each of the following subparagraphs, the Minister of Strategy and Finance may accept such pledge: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Where the pledge is to adjust the price without delay;
2. Where the pledge is to abolish or cut subsidies, etc, within six months from the day on which such pledge is given;
3. Where the pledge is to take a proper measure to remove the effect of subsidies causing injury to the domestic industry within six months from the day on which such pledge is given.

(3) When deemed necessary, the Minister of Strategy and Finance may designate the Government of an export country or an exporter, and then propose that such Government or such exporter make the pledge as prescribed in Article 60 (1) of the Act. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(4) The Minister of Strategy and Finance shall not accept the pledge under paragraph (2) or propose the pledge under paragraph (3) before it is confirmed as a result of a preliminary investigation under Article 75 (2) that there is adequate evidence presuming the existence of the fact of payment of subsidies, etc. and the fact of material injury, etc. caused thereby. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(5) Where the Government of any exporting country or any exporter fails to fulfill the pledge accepted under Article 60 (2) of the Act, the Minister of Strategy and Finance may promptly take a measure to assess a countervailing duty, including taking the provisional measure, on the basis of the best available information. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(6) Where the Minister of Strategy and Finance confirms as a result of the continued investigation under the proviso to Article 60 (2) of the Act that the fact of material injury, etc. or the fact of payment of subsidies, etc. is nonexistent, the effect of the relevant pledge shall be deemed extinguished: Provided, That if it is judged that the nonexistence of material injury, etc. and the payment of subsidies, etc. have been caused by the pledge, the Minister of Strategy and Finance may keep the pledge fulfilled for a properly fixed period and, if the Government of any exporting country or any exporter refuses to fulfill the pledge, the Minister of Strategy and Finance may take a prompt measure to assess a countervailing duty, including taking the provisional measure, on the basis of the best available information. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 82 (Retroactive Assessment of Countervailing Duty)**

(1) Goods to which the provisional measure is applied under the proviso of Article 61 of the Act and on which a countervailing duty is assessed shall be as follows: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Where the existence of material injury, etc. is finally confirmed, or it is finally confirmed that such material injury, etc. is feared to occur, but it is finally confirmed that a lack of the provisional measure causes the existence of such material injury, etc., goods imported during a period in which the provisional measures is applied;

2. Where it is necessary to assess retroactively a countervailing duty to prevent a recurrence of the material injury, etc. caused by a massive import during a relatively short period, the relevant goods for which subsidies, etc. are paid were imported, causing the material injury, etc. in the past or an importer has learned or could have learned the fact of importing the goods for which the subsidies, etc. are paid and the fact of the material injury, etc. caused thereby, the goods imported since 90 days prior to the day on which the provisional measure is applied;

3. Where the material injury, etc. caused by the import of goods subject to the application of the provisional measure in violation of the pledge described in Article 60 (1) of the Act is confirmed, goods imported since 90 days prior to the day on which the provisional measure is applied. In such cases, goods imported before the day on which the pledge is broken shall be excluded herefrom;

4. Goods imported during a period fixed by the Minister of Strategy and Finance in accordance with conventions.

(2) Any person interested in the domestic industry as prescribed in Article 73 may request the assessment of a countervailing duty in accordance with the proviso to Article 61 of the Act by presenting the evidence that the relevant goods fall under each subparagraph of paragraph (1) within seven days from the day on which he/she is notified of a final decision made based on a result of a full-scale investigation under Article 75 (5).

#### **Article 83 (Settlement of Amount of Provisional Countervailing Duty)**

(1) Where the amount of a countervailing duty assessed on the goods imported during a period in which the provisional measure is applied in accordance with Article 59 (2) of the Act, which falls under Article 82 (1), is equal to or exceeds the amount of a provisional countervailing duty, the latter shall be deemed the former and any difference between them shall not be collected. Where the amount of a countervailing duty is lower than that of a provisional countervailing duty, the amount of a provisional countervailing duty, which is equivalent to a difference, shall be refunded.

(2) Where security offered under Article 59 (1) of the Act falls under Article 82 (1), the amount of a countervailing duty to be assessed retroactively during a period in which the relevant provisional measure is applied shall not exceed an amount equivalent to the amount of a provisional countervailing duty.

(3) Where the pledge described in Article 81 (1) is accepted after the existence of the fact of payment of subsidies, etc. and the fact of material injury, etc. caused thereby is confirmed as a result of a full-scale investigation described in Article 75 (5) and the investigated final countervailing duty rate is equal to or exceeds the rate of a provisional countervailing duty, a difference accruing from the different two rates shall not be collected and if the rate of the former is lower than that of the latter, the amount of a countervailing duty, which is equivalent to a difference between them, shall be refunded.

#### **Article 84 (Review of Countervailing Duty and Pledge)**

(1) When deemed necessary, or when any interested person or the minister of the ministry in charge of the relevant industry files a request along with evidential data appended with respect to any case falling under the following subparagraphs, the Minister of Strategy and Finance shall determine whether the goods on

which a countervailing duty is assessed or the pledge thereon is fulfilling, should be reviewed under Article 62 (1) of the Act: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. After a countervailing duty is assessed and the pledge thereon is fulfilled, where circumstantial changes fully deemed necessary to modify the contents thereof take place;

2. Where the domestic industry is threatened with injury after the completion of a countervailing duty and the pledge thereon;

3. Where the amount of a countervailing duty is paid in excess of the amount of actual subsidies, etc.

(2) Any request for a review referred to in paragraph (1) may be filed after the expiration of one year from the day on which a countervailing duty or the pledge thereon enters into force; and such request shall be made before six months from the day on which the effect of any countervailing duty or the pledge thereon is lost. In such cases, the Minister of Strategy and Finance shall determine whether the review is required within two months from the day on which a request is filed for such review. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) In addition to cases of the review under paragraph (1), the Minister of Strategy and Finance may review the appropriateness of any countervailing duty and any pledge thereon in force, and to that end, he/she shall review the import price of goods for which subsidies, etc. are paid in the month of every year, which includes the day on which the relevant countervailing duty or the pledge enters into force in connection with the contents of such countervailing duty or such pledge (including contents modified according to the review). *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(4) When the Minister of Strategy and Finance determines whether the review is required under paragraph (1) or (3), he/she may consult with the heads of administrative agencies concerned and the Trade Committee; and when he/she determines that such review is required, the Trade Committee shall investigate any countervailing duty and any pledge. In such cases, the Trade Committee shall investigate only the portion which is the cause of such review. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(5) The Trade Committee shall terminate the investigation referred to in paragraph (4) within six months from the day on which the relevant review is launched and report the results thereof to the Minister of Strategy and Finance: Provided, That the Trade Committee may, when necessary to extend the investigation period or any interested person requests the extension thereof, citing good cause, extend the investigation period within the limit of four months. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(6) The Minister of Strategy and Finance shall, if the measure as provided in Article 62 (1) of the Act is required, take such measure within one month from the day on which the results of the investigation referred to in paragraph (5) are reported: Provided, That he/she may, if deemed necessary, extend the period of one month within the limit of 20 days. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(7) Where the review is conducted for the reason of paragraph (1) 2, even if the time limit applied to the relevant countervailing duty expires during the review period, the effect of the relevant measure shall

continue to be valid during such review period.

(8) When it is judged as a result of the review under paragraph (1) or (3) that the effectiveness of the pledge is lost or feared to be lost, the Minister of Strategy and Finance may ask the Government of any exporting country or any exporter that is fulfilling the relevant pledge to modify such pledge; and, if the Government of such exporting country or such exporter refuses to modify the pledge, may assess a countervailing duty measure against such Government or exporter, based on available information.

*<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(9) The Minister of Strategy and Finance may have the Commissioner of the Korea Customs Service investigate the matters prescribed by Ordinance of the Ministry of Strategy and Finance and report back the results thereof to him/her for the review referred to in paragraph (1) or (3).

*<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

#### **Article 85 (Notice to Interested Person and Publication, etc.)**

(1) The Minister of Strategy and Finance shall, when he/she takes measures falling under each of the following subparagraphs, publish contents thereof in the Official Gazette and serve a written notice thereon on any interested person: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. When he/she determines to take measures as prescribed in Articles 57 and 59 (1) of the Act or determines not to take such measure;
2. When he/she suspends or terminates an investigation after accepting the pledge as prescribed in Article 60 (1) of the Act or continues the investigation;
3. When he/she commences the review under Article 62 (1) of the Act or modifies the contents of a countervailing duty measure as a result of such review;
4. When he/she extends the effect of a countervailing duty measure under Article 84 (7).

(2) In cases falling under each of the following subparagraphs, the Minister of Strategy and Finance or the Trade Committee shall notify any interested person of the contents thereof: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. When an investigation application is dismissed under Article 74 (2) or an investigation is terminated under Article 75 (4);
2. When a preliminary decision is made according to the results of a preliminary investigation under Article 75 (2);
3. Where a final decision is made according to the results of a full-scale investigation under Article 75 (5);
4. When the investigation period is extended in accordance with Article 75 (6) and the proviso to Article 84 (5);
5. When the period is extended in accordance with Article 75 (8);
6. When a request for assessing a countervailing duty is withdrawn under Article 76, and then determination as to whether an investigation should be commenced is suspended or the relevant investigation is terminated;

7. Deleted; <by Presidential Decree No. 17467, Dec. 31, 2001>

8. When the Minister of Strategy and Finance proposes the pledge under Article 81 (3).

(3) The Minister of Strategy and Finance or the Trade Committee shall, when any interested person files a written request in connection with an investigation under Article 75 in the process of such investigation, notify such interested person of the progress of the investigation. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 86 (Retaliatory Duties)**

(1) The minister of any ministry concerned or any interested person shall, when he/she intends to request the assessment of retaliatory duties (hereinafter referred to as "retaliatory duties") under Article 63 of the Act, furnish data concerning any of the following matters to the Minister of Strategy and Finance: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. The country that performs the act falling under each subparagraph of Article 63 (1) of the Act and the contents thereof;
2. Goods subject to the retaliatory measure taken by Korea;
3. The amount equivalent to the amount of injury, calculation particulars thereof, and details of assessment of retaliatory duties.

(2) The Minister of Strategy and Finance may, when deemed necessary to investigate matters with respect to the application of retaliatory duties, ask administrative agencies concerned, any exporter, any importer and any interested person to furnish data and provide necessary cooperation. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 87 (Assessment of Emergency Tariffs)**

Determination shall be made as to whether emergency tariffs should be assessed under Article 65 (1) of the Act (hereinafter referred to as "emergency tariffs") and the contents thereof, within one month from the day on which a recommendation for assessment filed by the Trade Committee is received: Provided, That any period required to consult with any major trading country about the assessment of emergency tariffs shall not be included in the period of one month.

#### **Article 88 (Assessment of Provisional Emergency Tariffs, etc.)**

(1) Determination shall be made as to whether provisional emergency tariffs should be assessed under Article 66 (1) of the Act (hereinafter referred to as "provisional emergency tariffs") and the contents thereof, taking into account the matters of examination under Article 65 (2) of the Act within one month from the day on which a recommendation for assessment filed by the Trade Committee is received: Provided, That where the Minister of Strategy and Finance deems it necessary, the period of one month may be extended within the limit of 20 days. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(2) Where it is determined to assess emergency tariffs on the specific imported goods to which provisional emergency tariffs are applied and the amount of such emergency tariffs is equal to or exceeds the amount of such provisional emergency tariffs, the latter shall be deemed the former and any difference between them shall not be collected. If the amount of such emergency tariffs is lower than that of such provisional

emergency tariffs, the amount of the provisional emergency tariffs, which is equivalent to a difference, shall be refunded.

(3) Where the Trade Committee judges that any domestic industry is not injured and then notifies the Minister of Strategy and Finance thereof, the amount of provisional emergency tariffs paid shall be refunded. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 89 (Review of Emergency Tariffs)**

Where the Trade Committee recommends that emergency tariffs, the assessment of which is in force, be relaxed, cancelled or extended, etc., the Minister of Strategy and Finance shall review such emergency tariffs in accordance with Article 67 of the Act; and shall determine whether measures to relax, cancel or extend, etc. the emergency tariffs should be taken, within one month from the day on which such recommendation is received: Provided, That if the Minister of Strategy and Finance deems it necessary, the period of one month may be expended within the limit of 20 days. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 89-2 (Assessment of Emergency Tariffs on Goods from Particular Country, etc.)**

(1) and (2) Deleted. <by Presidential Decree No. 26089, Feb. 6, 2015>

(3) Articles 87 through 89 shall apply mutatis mutandis to the emergency tariffs on the goods of the particular country or the assessment of the provisional emergency tariffs on the goods of the particular country provided for in Article 67-2 (5) of the Act.

#### **Article 90 (Special Emergency Tariffs on Agricultural, Forest and Livestock Products)**

(1) In any of the following subparagraphs, the special emergency tariffs may be assessed under Article 68 (1) of the Act (hereinafter referred to as "special emergency tariffs"): Provided, That in cases falling under all of the following cases, one of them may be selected, as prescribed by Ordinance of the Ministry of Strategy and Finance: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 25898, Dec. 30, 2014>

1. Where the import quantity of the current year exceeds the base trigger volume referred to in paragraph (2);
  2. Where the import price of the relevant goods, including the freight and insurance premium, converted into won currency (hereinafter referred to as "import price"), has fallen in excess of 10/100 of the average import price from 1988 to 1990 (in cases of goods enumerated in attached Table 1, in excess of 10/100 of the average import price from 1986 to 1988; hereinafter referred to as "base price").
- (2) The base trigger volume referred to in paragraph (1) 1 shall be the volume obtained by multiplying the coefficient classified in each of the following subparagraphs (hereinafter referred to as "base trigger coefficient") by the average import quantity of the preceding three years in which data are available and by summing up the changed quantity in comparison with the preceding year in the domestic consumption of the relevant goods for the recent years in which data are available (hereinafter referred to as "base trigger volume"): Provided, That if the base trigger volume runs below 105/100 of the average import quantity of the preceding three years, the base trigger volume shall be 105/100 of the average import



quantity of the preceding three years:

1. If the percentage of the import quantity in the domestic consumption of the relevant goods for the preceding three years in which data are available (hereinafter referred to as "market share") runs below 10/100: 125/100;
2. If the market share runs above 10/100 and below 30/100: 110/100;
3. If the market share exceeds 30/100: 105/100;
4. If the market share is incalculable: 125/100.

(3) The special emergency tariffs assessed under paragraph (1) 1 may be assessed at the rate calculated by adding a third of the concession tariff rate to the relevant tariff concession rate equivalent to the difference between the domestic and foreign prices, and such special emergency tariffs shall apply only to the portion imported by the end of the current year.

(4) The special emergency tariffs assessed under paragraph (1) 1 may be assessed by adding the amount classified in each of the following subparagraphs to the customs duties based on the relevant concession tariff rate equivalent to the difference between domestic and foreign prices: Provided, That when the import quantity declines, the special emergency tariffs based on each of the following subparagraphs may not be assessed as prescribed by Ordinance of the Ministry of Strategy and Finance: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. If the decline rates of import price in comparison with the base price runs above 10/100 and below 40/100: 30/100 of the amount exceeding 10/100 of the base price;
2. If the decline rates of import price in comparison with the base price runs above 40/100 and below 60/100: (30/100 of the amount exceeding 10/100 or up to 40/100 of the base price)(50/100 of the amount exceeding 40/100 of the base price);
3. If the decline rates of import price in comparison with the base price runs above 60/100 and below 75/100: (30/100 of the amount exceeding 10/100 or up to 40/100 of the base price)(50/100 of the amount exceeding 40/100 or up to 60/100 of the base price)(70/100 of the amount exceeding 60/100 of the base price);
4. If the decline rates of import price in comparison with the base price runs above 75/100: (30/100 of the amount exceeding 10/100 or up to 40/100 of the base price)(50/100 of the amount exceeding 40/100 or up to 60/100 of the base price)(70/100 of the amount exceeding 60/100 or up to 75/100 of the base price)(90/100 of the amount exceeding 75/100 of the base price).

(5) In applying paragraph (1), when the base trigger volume is calculated for any perishable or seasonable goods, a period shorter than three years shall be applied and when the base price is computed, the price prevailing during another period shall be applied and the characteristics of the relevant goods shall be taken into account.

(6) Any goods imported as the market access volume to which a tariff concession is given in tariff negotiations with an international organization under Article 73 of the Act shall be excluded from the subject of the assessment of the special emergency tariffs: Provided, That if the import quantity is

calculated to assess special emergency tariffs under paragraph (1) 1, such goods shall be included in the calculation.

(7) Any goods which are being transported in accordance with a contract concluded before a special emergency tariff is assessed thereon shall be excluded from the subject of the assessment of such special emergency tariff under paragraph (1) 1: Provided, That the goods may be counted in the import quantity necessary for the assessment of a special emergency tariff next year under paragraph (1) 1.

(8) When the head of a related government ministry or agency or an interested person intends to make requests for measures as prescribed in Article 68 of the Act, he/she shall furnish the data pertaining to the following matters, which are related to the relevant goods, to the Minister of Strategy and Finance:

*<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 25898, Dec. 30, 2014>*

1. The HS code, name, standard, purpose of use and alternatives of the relevant goods;
2. The domestic consumption quantity and import quantity of the relevant goods by year for the preceding three years and the base price;
3. Tariff rates to be raised, grounds therefor, application period and other reference matters.

(9) The Minister of Strategy and Finance may, when deemed necessary to survey matters necessary for applying the special emergency tariff, request relevant institutions, exporters, importers and other interested persons to furnish related data and provide necessary cooperation. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

#### **Article 91 (Adjusted Duties)**

(1) The minister of competent ministry or an interested person shall, when he/she intends to make requests for the measures as prescribed in Article 69 of the Act, furnish the data pertaining to the following matters, which are related to the relevant goods, to the Minister of Strategy and Finance: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 29530, Feb. 12, 2019>*

1. The HS code, name, standard, purpose of use, and alternatives of the relevant goods;
2. Raw materials input for manufacturing the relevant goods, the description of the process of manufacturing related goods using the relevant goods as raw materials and the purpose of use of related goods;
3. The supply and demand of the relevant goods for the current year and the year preceding and following the current year, and the plan therefor;
4. The monthly import price and import quantity by major importing country for the preceding year;
5. The monthly factory price and the shipment of goods out of factory by major domestic manufacturing business for the preceding year;
6. Tariff rates to be raised, grounds therefor and the application period thereof;
7. The impact of an increase in tariff rates on the domestic industry, customer interests, prices of commodities, etc. (limited to cases falling under subparagraph 2 of Article 69 of the Act).

(2) The Minister of Strategy and Finance may, when deemed necessary to survey matters necessary for applying the adjusted duties under Article 69 of the Act, request institutions concerned, exporters, importers and other interested persons to furnish related data and provide necessary cooperation.

*<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) When the Minister of Strategy and Finance intends to assess any adjusted duties pursuant to subparagraph 2 of Article 69 of the Act, he/she shall hear opinions of the ministers of competent ministries beforehand. *<Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>*

#### **Article 92 (Quota Tariff)**

(1) Where the head of a related government ministry or agency or any interested person intends to request the assessment of a quota tariff under Article 71 (1) of the Act, he/she shall furnish the data pertaining to the following matters, which are related to the relevant goods, to the Minister of Strategy and Finance:

*<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Materials concerning the matters described in Article 91 (1) 1 through 5;
2. The rate to be applied to the relevant quota tariff, reasons for lowering the rate and the application period thereof;
3. If the quantity is required to be restricted under the latter part of Article 71 (1) of the Act, such quantity and the calculation basis thereof.

(2) Where the head of a related government ministry or agency or any interested person intends to request the assessment of a quota tariff in accordance with Article 71 (2) of the Act, he/she shall furnish the data pertaining to the following matters, which are related to the relevant goods, to the Minister of Strategy and Finance:

*<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Materials concerning the matters referred to in Article 91 (1) 1 through 5;
2. The rate to be applied to the relevant quota tariff, reasons for raising the rate and the application period thereof;
3. The quantity to which the basic tariff rate is to apply and calculation basis thereof;
4. In cases of agricultural, forest, livestock and marine products prescribed in Article 71 (2) of the Act, the domestic and foreign price trends of the goods of the same kind, similar goods or alternative goods by month and quarter for the preceding two years.

(3) The quota of a certain quantity prescribed in Article 71 of the Act shall be allocated within the limit of the relevant quantity on the recommendation of the head of a related government ministry or agency or any person entrusted by him/her: Provided, That with respect to any goods designated by the Minister of Strategy and Finance, the quota shall be allocated in order of import declaration and the quota on the day on which a certain quantity reaches shall be allocated according to the proportion of the import declaration filed on the day to the relevant quantity. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(4) Each person, who receives a letter of recommendation from the head of a related government ministry or agency or any person entrusted by him/her under paragraph (3), shall submit such letter of recommendation to the head of the relevant customs office before an import declaration is accepted.

(5) The records of customs clearance for goods until they reach a certain quantity under Article 71 of the Act shall be confirmed by the Commissioner of the Korea Customs Service.

(6) When the head of a related government ministry or agency requests the assessment of a quota tariff under paragraph (1) or (2), he/she shall collect opinions by posting the following matters on the Internet home page, etc. of the relevant ministry concerned for at least 10 days and submit the result thereof to the Minister of Strategy and Finance: Provided, That where it is necessary to urgently assess a quota tariff due to a natural disaster, jump in prices, etc., he/she may omit the collection of opinions following consultation with the Minister of Strategy and Finance: <Newly Inserted by Presidential Decree No. 26089, Feb. 6, 2015>

1. The HS code, name, standard, the purpose of use and alternative goods of the relevant goods;

2. Matters set forth in paragraph (1) 2 and 3 or (2) 2 and 3.

(7) If deemed necessary to survey matters necessary for applying the quota tariff under paragraphs (1) and (2), the Minister of Strategy and Finance may ask relevant institutions, exporters, importers and other interested persons to furnish related data and provide necessary cooperation. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(8) In order to file a report on the record, etc. of customs duties assessed in the previous year pursuant to Article 71 (4) of the Act, the Ministry of Strategy and Finance shall may request the heads of the ministries concerned to submit data concerning the result, effect, etc. of the assessment of customs duties to the Minister of Strategy and Finance within three months after the end of each fiscal year. In such cases, the heads of the related government ministries or agencies in receipt of such request shall comply therewith, unless any extenuating circumstances exist. <Newly Inserted by Presidential Decree No. 26089, Feb. 6, 2015>

### **Article 93 (Seasonal Duties)**

(1) The head of any administrative agency or any interested person shall, when he/she intends to request the assessment of seasonal duties (hereinafter referred to as "seasonal duties") under Article 72 of the Act, furnish the data pertaining to the following matters, which are related to the relevant goods, to the Minister of Strategy and Finance: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Name, standard, the purpose of use, and alternative goods;

2. The monthly import price and the price trends in major international commodity market in the most recent of one year;

3. The monthly factory price by major domestic manufacturing company in the most recent of one year;

4. The producer price index, consumer price index and import price index of the relevant goods and major related goods;

5. Reasons for applying the seasonal duties and the application period thereof;

6. The supply and demand by season and prospect thereof;

7. The tariff rate intended to be changed and particulars of calculation thereof.

(2) When the Minister of Strategy and Finance deems it necessary to survey matters necessary for applying the seasonal duties, he/she may request relevant data or necessary cooperation from relevant

institutions, exporters, importers and other interested persons. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 94 (Request for Applying Concession Tariff Rate to Agricultural, Forest and Livestock Products)**

With respect of agricultural, forest and livestock products to which a tariff concession was made at a rate equivalent to the difference between domestic and foreign prices and at a rate higher than the basic tariff rate in the process of opening up the domestic market and increasing market access in tariff negotiations with an international organization under Article 73 of the Act, any person who imports such products upon a recommendation from an relevant administrative agency within the limit of the market access volume shall submit a letter of such recommendation to the head of the relevant customs office before the import declaration is accepted.

#### **Article 95 (Beneficial Tariffs)**

(1) Countries that may be beneficiaries of customs duties under Article 74 of the Act are as shown in the following table: <Amended by Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 27952, Mar. 27, 2017>

(2) Goods subject to benefits regarding tariffs under Article 74 of the Act shall be the goods prescribed in (a) through (c) of attached Table 1 (hereafter referred to as "schedules of concessions" in this Article) of the Regulations on Tariff Concessions in the Framework of the Agreement Establishing the World Trade Organization, Etc. from among the goods produced by countries shown in the table of paragraph (1). In such cases, the relevant goods shall be subject to the same benefits of tariffs even if the tariff classification of such goods in the schedules of tariff rates are subdivided or integrated. <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 27952, Mar. 27, 2017>

(3) The rates prescribed in the schedules of concessions shall apply to the goods prescribed in paragraph (2): Provided, That in each of the following cases, the tariff rates prescribed in each of the following subparagraphs shall take precedence over those prescribed in the schedules of concessions in their application: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Where the tariff rates of this Act are lower than those prescribed in the schedules of concessions, the tariff rates prescribed in this Act shall apply: Provided, That in cases of agricultural, forest and livestock products prescribed in the proviso to Article 50 (3) of the Act, the tariff rates prescribed in the schedules of concessions shall take precedence over the tariff rate and the provisional basic tariff rate in the application;

2. Where the tariff rates are prescribed by Presidential Decree or Ordinance of the Ministry of Strategy and Finance under Article 51, 57, 63, 65 or 68, such tariff rates shall apply.

(4) When each of the following reasons arises, the Minister of Strategy and Finance may designate countries, goods and period, and suspend the application of beneficial tariffs under Article 74 of the Act (hereinafter referred to as "beneficial tariffs"): <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. When the application of beneficial tariffs causes or is feared to cause a serious impact on the national economy;
  2. When an emergency situation occurs that requires the suspension of beneficial tariffs.
- (5) The Minister of Strategy and Finance may, when deemed necessary to survey the matters necessary for applying the beneficial tariffs, ask related administrative agencies, exporters, importers and interested persons to furnish related data and provide necessary cooperation. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **Article 96 (Application of Simplified Tariff Rates)**

(1) The goods to which the simplified tariff rates are applied under Article 81 of the Act (hereinafter referred to as "simplified tariff rates") and the simplified tariff rates are as shown in attached Table 2.

(2) Notwithstanding paragraph (1), the simplified tariff rates shall not apply to the goods falling under each of the following subparagraphs: <Amended by Presidential Decree No. 17467, Dec. 31, 2001>

1. Goods on which the applicable tariff rate is zero and goods for which customs duties are reduced or exempted;
2. Raw materials for export;
3. Goods related to the customs offense described in the Chapter XI of the Act;
4. Goods to which specific duties are applied;
5. Goods, prescribed by the Commissioner of the Korea Customs Service, which fall under each of the following items:
  - (a) Goods, the quantity of which is deemed commercially used;
  - (b) High-priced goods;
  - (c) Goods, the import of which is feared to damage the domestic industry;
  - (d) Goods which, as the single and simplified tariff rates are applied under Article 81 (4) of the Act, are feared to disrupt the equity of duty assessment;
6. Goods whose owner asks not to apply the simplified tariff rates to the whole of such goods subject to the assessment of customs duties when he/she files an import declaration.

#### **Article 97 (Request for Application of Usage Tariff Rates)**

Any person who intends to get the usage tariff rates applied under Article 83 of the Act shall file with the head of the relevant customs office an application stating name, standard, quantity, price, the purpose of use, the method of use, and the place of use of the relevant goods before an import declaration thereon is accepted from the day on which such declaration is filed.

#### **Article 98 (Harmonized Schedules)**

(1) For the purpose of swift customs clearance and the grasp of statistics with respect to the export and import of goods in accordance with Article 3 (3) of the International Convention on Harmonized Commodity Description and Coding System (hereafter referred to as the "Convention" in this Article and Articles 98-2 and 99), the Minister of Strategy and Finance may publish the harmonized tariff and statistical schedules (hereafter referred to as the "Harmonized Schedules" in this Article) in which items

are subdivided based on the Convention and the attached Schedules of Tariff Rates under the Act. *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 29530, Feb. 12, 2019>*

(2) Where the Customs Cooperation Council makes a recommendation or a decision with respect to the tariff classification of the Convention or new commodities are developed, making it necessary to modify the attached Schedules of Tariff Rates under the Act, the tariff classification and the Harmonized Schedules established in accordance with the Regulations on Tariff Concessions in the Framework of the Agreement Establishing the World Trade Organization, the Regulations on the Application of International Cooperative Taxes pursuant to Negotiations on Tariffs with Particular Countries and the Regulations on Preferential Tariffs for Least-Developed Countries (hereafter referred to as the "regulations on tariff concessions, etc." in this paragraph), the Minister of Strategy and Finance may modify and publish the attached Schedules of Tariff Rates pursuant to the Act, the tariff classification and the Harmonized Schedules under the regulations on tariff concessions, etc. without modifying tariff rates. *<Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20720, Feb. 29, 2008>*

(3) When the Minister of Strategy and Finance modifies the tariff classification in response to a recommendation or a decision made by the Customs Cooperation Council with respect to the tariff classification of the Convention, he/she shall reflect such modification in the tariff classification on the attached Schedules of Tariff Rates under the Act and the Harmonized Schedules by the deadline prescribed in Article 16 (4) of the Convention. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

#### **Article 98-2 (Procedures for Settling Disputes on Tariff Classification)**

(1) The Minister of Strategy and Finance or the Commissioner of the Korea Customs Service shall proceed with a consultation with the other country in accordance with paragraph 1 of Article 10 of the Convention, when he/she becomes aware of the dispute on tariff classification with the other country: Provided, That where the Commissioner of the Korea Customs Office proceeds with relevant consultation, he/she shall report such fact of dispute, details of consultation, etc. to the Minister of Strategy and Finance by the end of each semiannual period.

(2) Where the consultation on disputes on tariff classification conducted pursuant to paragraph (1) fails to reach an agreement with the other country, the Minister of Strategy and Finance may request the Customs Cooperation Council to settle the relevant dispute in accordance with paragraph 2 of Article 10 of the Convention.

#### **Article 99 (Standards for Applying Tariff Classification)**

(1) The standards for applying tariff classification provided for in Article 85 (1) of the Act shall be prescribed by Ordinance of the Ministry of Strategy and Finance.

(2) The Minister of Strategy and Finance may have the Commissioner of the Korea Customs Service publicly announce the matters concerning the tariff classification of harmonized commodity description and coding system recommended by the Customs Cooperation Council in accordance with the

Convention. In such cases, the Commissioner of the Korea Customs Service shall obtain approval from the Minister of Strategy and Finance when he/she makes a public announcement.

**Article 100 (Composition of Tariff Classification Committee, etc.)**

(1) The Tariff Classification Committee established pursuant to Article 85 (2) of the Act (hereinafter referred to as the "Tariff Classification Committee") shall consist of one chairperson and members of not less than thirty but not more than forty persons. <Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 29530, Feb. 12, 2019>

(2) A public official of Grade III or public official in general service belonging to the Senior Executive Service of the Korea Customs Service shall be designated by the Commissioner of the Korea Customs Service as the chairperson of the Tariff Classification Committee, and the members shall be appointed or commissioned by the Commissioner of the Korea Customs Service from among persons falling under any one of the following subparagraphs: <Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 19513, Jun. 12, 2006; Presidential Decree No. 19993, Apr. 5, 2007>

1. Public officials belonging to the Korea Customs Service;
2. Public officials belonging to central administrative agencies concerned;
3. Deleted; <by Presidential Decree No. 18333, Mar. 29, 2004>
4. Persons recommended by non-governmental organizations (meaning nonprofit and non-government organizations under Article 2 of the Assistance for Non-profit, Non-Governmental Organizations Act; hereinafter the same shall apply);
5. Other persons of profound learning in the study of merchandising.

(3) The term of office of members falling under paragraph (2) 4 and 5 shall be two years and may be renewed only once: Provided, That a member appointed to fill a vacancy occurring before the expiration of the term for which his/her predecessor was appointed, shall serve for the remainder of such term. <Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>

(4) When any member of the Tariff Classification Committee falls under any of the following, the Commissioner of the Korea Customs Service may remove or dismiss such member: <Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>

1. Where the member becomes incapable of performing his/her duties due to a physical or mental disorder;
2. Where the member engages in misconduct in connection with his/her duties;
3. Where the member is deemed unsuitable as a member due to neglect of a duty, loss of dignity, or on any other reason;
4. Where the member voluntarily admits that it is difficult for him/her to perform his/her duties;
5. Where the member fails to refrain from participating in deliberation and resolution, in spite of falling under any subparagraph of Article 101-2 (1).



(5) The chairperson of the Tariff Classification Committee shall exercise overall control over the affairs of the Committee and represent the Committee.

(6) Where the chairperson of the Tariff Classification Committee is unable to discharge his/her duties for unavoidable reasons, a member designated by the chairperson shall act on behalf of the chairperson in discharging his/her duties.

(7) Where any member, who is a public official, from among the members of the Tariff Classification Committee, is unable to attend a meeting of the Tariff Classification Committee due to extenuating circumstances, any other public official working for an institution to which the member belongs may attend the meeting to act on behalf of such member.

(8) The Commissioner of the Korea Customs Service may commission persons who work for relevant academia, research institutes or associations, etc. as its technical advisory members to hear their opinions on technical matters, etc. related to the tariff classification in order to ensure the smooth holding of meetings. *<Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004>*

#### **Article 101 (Meetings of Tariff Classification Committee)**

(1) The chairperson of the Tariff Classification Committee shall convene any meeting and preside over such meeting.

(2) A meeting of the Tariff Classification Committee shall consist of the chairperson and members of not less than fourteen but not more than sixteen persons designated by the chairperson at every meeting, but at least two members referred to in Article 100 (2) 2 and at least eight members referred to in subparagraph 4 or 5 of the same paragraph shall be included therein. *<Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 29530, Feb. 12, 2019>*

(3) The Tariff Classification Committee shall resolve at its meeting with the attendance of a majority of the constituent members referred to in paragraph (2) and with the concurrent vote of a majority of the members present. *<Amended by Presidential Decree No. 19993, Apr. 5, 2007>*

(4) If it is intended to include the members referred to in Article 100 (2) 4 or 5 as participants of a meeting pursuant to paragraph (2) where the Tariff Classification Committee intends to deliberate on a review of tariff classification pursuant to Article 85 (2) 2 or 3 of the Act, members who have not attended the meeting at the time an advance ruling on tariff classification or deliberation on the modification of tariff classification which are subject to the review is conducted, shall be included as participants of the meeting. *<Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>*

#### **Article 101-2 (Exclusion and Refrainment of Members of Tariff Classification Committee)**

(1) Any member of the Tariff Classification Committee who falls under any of the following cases shall be excluded from the deliberation and resolution:

1. Where the member is a party to the relevant agenda (where a party to the relevant agenda is a corporation, organization, etc., including the executive officers thereof, hereafter the same shall apply in this Article) or a person directly interested in the relevant agenda;

2. Where the member's spouse, relative within the fourth degree of consanguinity, or relative within the second degree of affinity within the second degree is a party to the relevant agenda or has direct interest in the relevant agenda;
3. Where the member is a current representative or was the representative of a party to the relevant agenda within recent five years;
4. Where the member belongs to or has belonged within recent five years to a corporation, organization, etc. which is the current representative or was the representative of a party to the relevant agenda;
5. Where the member has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.;
6. Where the member currently belongs to or has belonged within recent five years to a corporation, organization, etc. which has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.

(2) If any member of the Tariff Classification Committee falls under any subparagraph of paragraph (1), he/she shall voluntarily refrain from the deliberation and resolution on the relevant agenda.

#### **Article 102 (Secretary of Tariff Classification Committee)**

(1) The Tariff Classification Committee shall appoint one secretary charged with dealing with administrative affairs.

(2) The secretary shall be appointed by the Commissioner of the Customs Service from among his/her public officials.

#### **Article 103 (Allowances)**

Other members and technical advisory members than public officials who attend any meeting of the Tariff Classification Commission shall be paid allowances and travel expenses within budgetary limits.

*<Amended by Presidential Decree No. 18333, Mar. 29, 2004>*

#### **Article 104 (Regulations for Operating Tariff Classification Committee)**

The chairperson of the Tariff Classification Committee shall determine matters necessary for operating the Committee after going through a resolution adopted at a meeting of the Committee except as otherwise provided for by this Decree.

**Article 105 Deleted.** *<by Presidential Decree No. 18333, Mar. 29, 2004>*

#### **Article 106 (Advance Rulings, etc. on Tariff Classification to be Applied to Specific Goods)**

(1) Each person, who intends to apply for an advance ruling on or review of the tariff classification to be applied to specific goods under Article 86 (1) or (3) of the Act (hereafter referred to as "advance ruling or review" in this Article), shall furnish each of the following documents and goods: Provided, That where it is deemed impracticable to present samples of goods in light of the nature of such goods, the lack of such

samples does not impede any examination of the tariff classification therefor, and the head of the relevant customs office confirms that fact at the time of customs clearance, the Commissioner of the Korea Customs Service may permit the omission of the samples required under subparagraph 2: *<Amended by Presidential Decree No. 26089, Feb. 6, 2015>*

1. An application stating the name of such goods, standard, manufacturing process, the country of origin, the purpose of use, the relevant customs office in which such goods are planned to go through customs clearance, grounds for application, etc.;
2. Samples of goods subject to the application;
3. Other explanatory materials.

(2) Where the application filed, the samples presented and the explanatory materials furnished under paragraph (1) are inadequate, making it impracticable to examine the tariff classification for the relevant goods, the Commissioner of the Korea Customs Service may ask for supplementing them by fixing a period not exceeding 20 days. *<Amended by Presidential Decree No. 26089, Feb. 6, 2015>*

(3) Where an application for an advance ruling or review falls under any of the following cases, the Commissioner of the Korea Customs Service may return such application: *<Amended by Presidential Decree No. 26089, Feb. 6, 2015>*

1. Where no supplementation is made within the period for supplementation referred to in paragraph (2);
2. Where the applicant has already filed an export or import declaration of the same goods as those for which the advance ruling or review is applied.

(4) "Period prescribed by Presidential Decree" in the main sentence of Article 86 (2) of the Act means 30 days (excluding each of the following periods) from the date on which an application for an advance ruling is received: *<Amended by Presidential Decree No. 29530, Feb. 12, 2019>*

1. Where deliberation on the advance ruling is conducted by the Tariff Classification Committee pursuant to Article 85 (2) of the Act, the period required for the relevant deliberation;
2. Period for supplementation under paragraph (2);
3. Where it is necessary to conduct physical and chemical analysis of the components of the relevant goods, the period required for the relevant analysis;
4. Where an inquiry is made to the Customs Cooperation Council, the period required for the relevant inquiry.

(5) Where the Commissioner of the Korea Customs Service examines the tariff classification and serves a notice thereof on the applicant under Article 86 (2) of the Act, he/she shall also notify the head of the relevant customs office in which the relevant goods are planned to go through customs clearance of the details thereof. In such cases, he/she shall send the explanatory materials together. *<Newly Inserted by Presidential Decree No. 26089, Feb. 6, 2015>*

(6) "Period prescribed by the Presidential Decree" in the latter part of Article 86 (3) of the Act means 60 days (excluding the period required for the relevant review where the review is deliberated on by the

Tariff Classification Committee pursuant to Article 85 (2) of the Act and the periods falling under paragraph (4) 2 through 4) from the date on which an application for the review is received. <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

(7) Where goods for which a review is applied pursuant to Article 86 (3) of the Act or Article 87 (3) of the Act falls under any of the following cases, the Commissioner of the Korea Customs Service shall refer the reexamination to the Tariff Classification Committee for deliberation: <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

1. Where the relevant matter is deemed to have a serious impact on the rights and duties of duty payers (including exporters), if the tariff classification of the relevant goods is modified;
2. Where it is deemed necessary to make a preliminary interpretation on the standards for applying the Schedules of Tariff Rates and tariff classification specified in the attached Table of the Act;
3. Other cases determined and publicly notified by the Commissioner of the Korea Customs Service as those similar to subparagraphs 1 and 2.

#### **Article 107 (Grounds for Modifying Tariff Classification)**

The tariff classification may be modified in accordance with Article 87 (1) of the Act in the following cases:

1. Where the tariff classification of the relevant goods is modified in accordance with relevant statutes;
2. Where the tariff classification is modified in accordance with Article 84 of the Act;
3. Where a serious error occurs in the tariff classification because of the false materials furnished by an applicant;
4. Deleted. <by Presidential Decree No. 22086, Mar. 26, 2010>

#### **Article 108 (Designation of Embassy Staff, etc.)**

"Staff members prescribed by Presidential Decree" in Article 88 (1) 4 of the Act means persons in positions, equal to or higher than any of the following positions: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Counselors, first secretaries, second secretaries, third secretaries and attaches of an embassy or legation;
2. Consul generals, consuls, vice consuls and assistant consuls of consulate generals or consulates (excluding any honorary consul general and honorary consul);
3. Those who do not fall under subparagraphs 1 and 2, such as foreign service officers of embassies, legations, consulate generals and consulates.

#### **Article 109 (Application for Approving Use of Goods Whose Customs Duties Are Reduced or Exempted for Other Purpose)**

(1) Any person who intends to obtain approval from the head of the relevant customs office in accordance with the proviso to Article 83 (2) of the Act, the proviso to Article 88 (2) of the Act, the proviso to Article 97 (2) of the Act (including cases applicable mutatis mutandis in Article 98 (2) of the Act) or the proviso to Article 102 of the Act shall file an application stating the following matters with the head of the relevant

customs office (hereinafter referred to as "head of the jurisdictional customs office") who has jurisdiction over the location of the relevant goods: Provided, That in cases falling under the proviso to Article 97 (2) of the Act (including cases applicable mutatis mutandis in Article 98 (2) of the Act), such application may be filed with the head of the relevant customs office with which an import declaration of the relevant goods has been first filed:

1. The name, standard, quantity, the amount of customs duties reduced or exempted, the usage tariff rate to be applied, the date on which an import declaration is accepted and the number of import declaration of the relevant goods;
2. The name of the relevant customs office in which the relevant goods go through customs clearance;
3. Reasons for applying for approval;
4. The business type, domicile, firm name and name (the name of representative in cases of a corporation) of a transferee of the relevant goods.

(2) Any person who intends to make goods destroyed or lost as a result of a calamity or any other unavoidable grounds subject to the application of Article 83 (3) of the Act, the proviso to Article 97 (3) of the Act (including cases applicable mutatis mutandis in Article 98 (2) of the Act), the proviso to Article 102 (2) of the Act or the proviso to Article 109 (2) of the Act shall promptly file an application stating the following matters, appended by a document attesting the fact, with the head of the relevant customs office after such goods are destroyed or lost:

1. The name, standard, quantity, the date on which an import declaration is accepted and the number of import declaration of the destroyed or lost goods;
2. The date on which the goods are destroyed or lost and place where the goods are destroyed or lost;
3. The name of the relevant customs office in which the destroyed or lost goods go through customs clearance.

(3) Any person who intends to obtain approval for disposing of goods from the head of the relevant customs office in accordance with the proviso to Article 83 (3) of the Act, the proviso to Article 97 (3) of the Act (including cases applicable mutatis mutandis in Article 98 (2) of the Act) the proviso to Article 102 (2) of the Act or the proviso to Article 109 (2) of the Act shall file an application stating the following matters with the head of such customs office:

1. The name, standard, quantity, the date on which an import declaration is accepted and the number of the import declaration of the relevant goods;
2. The name of the relevant customs office in which the relevant goods go through customs clearance;
3. Reasons for and methods of disposing of the relevant goods, the place where such goods are disposed of and the date on which such goods are disposed of.

#### **Article 110 (Prohibition Period for Use of Goods Reduced or Exempted from Customs Duties for Other Purpose)**

The Commissioner of the Korea Customs Service shall, when he/she intends to fix a period for prohibition from using for other purpose than specific purpose or a period for prohibition from acquiring by transfer or

transferring the goods whose customs duties are reduced or exempted in accordance with Article 83 (2), 88 (2) or 102 (1) of the Act (hereinafter referred to as "post management period"), conform to the standards falling under each of the following subparagraphs. but if such post management periods differ for the same goods as a result of applying the standards of the respective subparagraphs, he/she may set a shorter period from among them: <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 28642, Feb. 13, 2018>

1. A post management period based on the durable years of goods (referring to the standard durable years referred to in Article 28 of the Enforcement Decree of the Corporate Tax Act) shall be a period fixed according to the division of each of the following items:
  - (a) Goods whose useful life is not less than five years: three years: Provided, That two years shall be applied to any goods whose customs duties are reduced or exempted under Article 90 of the Act;
  - (b) Goods whose useful life is four years: two years;
  - (c) Goods whose useful life is not more than three years: A period determined and publicly notified by the Commissioner of the Korea Customs Service within the limit of one year;
2. Post management period, where there is little chance of using the goods whose customs duties are reduced or exempted for other purpose: A period determined and publicly notified by the Commissioner of the Korea Customs Service within the limit of one year: Provided, That in cases of goods which are used only by specific persons such as the handicapped and the metallic pattern which cannot be used for other purpose in light of its nature, the post management period thereof shall be up to the day on which an import declaration thereon is accepted. In cases of goods used for any exhibition and any exposition, etc., the post management period thereof shall be up to the day on which the purpose of use is extinguished or such events come to the end;
3. Post management period, where goods whose customs duties are reduced or exempted are used as raw materials, components or samples: A period determined and publicly notified by the Commissioner of the Korea Customs Service within the limit of one year: Provided, That in cases of goods which are in fact consumed after being used as raw materials, components or samples, etc., the post management period thereof shall be up to the day on which such goods are confirmed to be shipped into a place where they are used for the purpose of reduction or exemption; and where the goods are stored without being used for the purpose of reduction or exemption until the relevant period lapses, the post management period thereof shall be up to the day such goods are completely used;
4. The post management period based on the rate obtained by multiplying the tariff rate described in Article 50 of the Act for the goods whose customs duties are reduced or exempted by the reduction and exemption rate: In cases of not more than three percent, a period determined and publicly notified by the Commissioner of the Korea Customs Service within the limit of one year; and in cases of more than three percent to not more than seven percent, a period determined and publicly notified by the Commissioner of the Korea Customs Service within the limit of two years.

### **Article 111 (Standards for Calculating Abatement Rate of Customs Duties)**

(1) In abating customs duties in accordance with Articles 89, 90, 95 and 98 of the Act, the calculation of the abatement rate shall be based on the tariff rates actually applied (excluding the tariff rate of Article 50 (2) 1 of the Act).

(2) Where customs duties are exempted in accordance with this Act and other Acts or treaties, the tariff rate described in Article 50 (1) 1 of the Act shall not be included in the scope of the exemption of customs duties except as otherwise provided for the scope of the exemption of customs duties.

### **Article 112 (Application for Reduction or Exemption of Customs Duties)**

(1) Any person who intends to obtain a reduction or exemption of customs duties in accordance with this Act, other Acts related to customs duties or treaties shall file an application stating the following matters with the head of the relevant customs office before an import declaration thereon is accepted: Provided, That an application for a reduction or exemption of customs duties may be filed in a simplified manner in cases prescribed by the Commissioner of the Korea Customs Service: *<Amended by Presidential Decree No. 23602, Feb. 2, 2012>*

1. The domicile, name and firm name of a person who intends to obtain a reduction or exemption of customs duties;
2. The kind of business (needs to be specifically stated if a reduction or exemption is granted by type of business);
3. The name, standard, quantity, price, the use and the place where the relevant goods are installed and used;
4. A legal ground for a reduction or exemption of customs duties;
5. Other reference matters.

(2) Notwithstanding the main body of paragraph (1), with the exception of its subparagraphs, an application for reduction or exemption of custom duties may be filed within the time limit set forth in the following classifications if any of the following grounds arises: *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*

1. Where customs duties are collected pursuant to Article 39 (2) of the Act: Within five days from the date on which the relevant notice of payment is served;
2. Where an application for reduction or exemption is not submitted until an import declaration is accepted: Within 15 days from the date on which the relevant import declaration is accepted (limited to the cases where the relevant goods are not carried out of the bonded zone).

(3) Documents to be appended to an application under paragraphs (1) and (2) and entries therein shall be determined by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 23602, Feb. 2, 2012>*

### **Article 113 (Designation of Manufacturing and Repair Factory)**

(1) Any person who intends to have his/her manufacturing and repair factory designated in accordance with Article 89 (1) of the Act shall file an application stating the following matters, accompanied by a

business plan and a drawing showing the relevant area and its nearby area, with the head of the relevant customs office: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*

1. The name, location, structure, the number of buildings and area of the relevant manufacturing and repair factory;
2. The name of goods manufactured therein and names of raw materials and components;
3. Operational facilities and equipment and their capacity;
4. Period intended to be designated.

(2) The head of the relevant customs office in receipt of an application pursuant to paragraph (1) shall designate a manufacturing and repair factory for a fixed period up to three years if he/she deems such designation does not hinder supervision and control. In such cases, the fixed period may be renewed, as prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*

(3) Where nothing prevents the supervision and control of a specific area at any airport, in which an aircraft is repaired temporarily under Article 89 (1) of the Act and it is deemed necessary to efficiently manage a reduction or exemption of customs duties on goods, the tariff rates of which differ from each other, the Commissioner of the Korea Customs Service may designate such specific area as a manufacturing and repair factory in accordance with paragraphs (1) and (2). *<Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002>*

(4) Deleted. *<by Presidential Decree No. 27952, Mar. 27, 2017>*

#### **Article 114 (Application for Extending Re-Export Period)**

Any person who intends to get his/her re-export period extended in accordance with the proviso to Article 97 (1) 1 of the Act shall file an application stating the date on which the import declaration is accepted, the import declaration number, name, standard and quantity of the relevant goods, and a desired period of extension and reasons for extending the period with the head of the relevant customs office having jurisdiction over the location where the relevant goods are imported: Provided, That with respect to any goods prescribed by the Commissioner of the Korea Customs Service, approval may be granted from the relevant customs office other than the relevant customs office where the relevant goods are imported for extending such re-export period. *<Amended by Presidential Decree No. 18333, Mar. 29, 2004>*

#### **Article 115 (Duty Exemption Period for Re-Export)**

(1) The head of the relevant customs office shall, when he/she intends to fix a duty exemption period for goods to be re-exported, make the period falling under each of the following subparagraphs such duty exemption period for such goods. In such cases, if the goods subject to the duty exemption for their re-export are seized by administrative authorities, the period of their seizure shall not be included in their duty exemption period: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*

1. In cases of personal effects, news coverage goods and other similar goods imported by hand or imported separately by persons when they enter Korea for the purpose of re-exporting such personal effects and goods after using them during their temporal stay in Korea, a period from the day of their



entry to the day of their departure;

2. In cases of goods imported to be displayed or used in any exposition, exhibition, competitive show or other similar event, a period during which such events are held, in addition to the number of days necessary for re-exporting such goods from the day on which such events come to the end;

3. In cases of goods and materials for processing and repair, a period which is deemed necessary for such processing and repair;

4. In cases of other goods imported in accordance with a shipment contract, a period confirmed by an evidential document pertaining to such shipment contract. If it is impossible to confirm such period with such evidential document, the head of the relevant customs office shall determine a period taking into account the nature, the purpose of use, the importer and useful life of the relevant goods, etc.

(2) The head of the relevant customs office shall, when he/she intends to fix a re-export period within the limit of four years, fix such period based on a period confirmed by an evidential document concerning a shipment contract of the relevant goods: Provided, That where it is inappropriate to fix a period based on such period confirmed by such evidential document or it is impossible to confirm such period with such evidential document, the head of the relevant customs office may fix a re-export period based on a period deemed appropriate in light of the nature, the purpose of use, the lease period or the contract period of the relevant goods.

**Article 116 (Export of Goods Whose Customs Duties have been Reduced or Exempted on Condition of Re-Export and Collection of Additional Duties)**

(1) Any person who intends to re-export goods whose customs duties have been reduced or exempted under Article 97 (1) or 98 (1) of the Act within the relevant period shall file an export declaration appended by the import declaration completion certificate on the relevant goods or another certificate substituting such certificate and other reference documents.

(2) When the goods referred to in paragraph (1) are exported, the head of the relevant customs office shall enter the fact of the export of such goods in the import declaration completion certificate or another certificate substituting such certificate, which is issued by the relevant customs office, and shall deliver it to a person who files an export declaration.

(3) Deleted. <by Presidential Decree No. 24373, Feb. 15, 2013>

**Article 117 Deleted.** <by Presidential Decree No. 19478, May 22, 2006>

**Article 118 (Amount of Reduced or Exempted Customs Duties for Qualitatively Changed and Damaged Goods)**

(1) The amount of customs duties reduced in accordance with Article 100 of the Act shall be the amount, whichever is larger, from among the amount of customs duties falling under each of the following subparagraphs:

1. The amount of customs duties corresponding to the fall in value due to the qualitative change, damage or use of the imported goods;

2. The difference obtained by deducting the amount of customs duties calculated according to the nature and quantity of the imported goods after the fall in value due to the qualitative change, damage or use of such imported goods from the amount of customs duties assessed on such imported goods.

(2) The standard for calculating the decrease in value due to qualitative change, damage or use described in paragraph (1) may be set by the Commissioner of the Korea Customs Service.

**Article 119 (Amount of Reduced or Exempted Customs Duties for Overseas Wage-Processed Goods)**

The amount of customs duties that is reduced or exempted in accordance with Article 101 (1) of the Act shall be as follows: <Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 26089, Feb. 6, 2015>

1. The goods provided for in Article 101 (1) 1 of the Act: The amount obtained by multiplying the export declaration value on raw materials or components used to manufacture or process the export goods by the tariff rate applied to the relevant import goods;

2. The goods provided for in Article 101 (1) 2 of the Act: The amount obtained by multiplying the export declaration value on the repaired and processed goods by the tariff rate applied to the imported goods: Provided, That with respect to the goods exported to be processed or repaired at the cost of a foreign seller after their defects are found or their breakdown occurs during the defect-repairing guarantee period (limited to one year after an import declaration thereon is accepted) that is specified in a purchase and sale contract, the amount obtained by multiplying the total amount of the following items by the tariff rate applied to imported goods:

(a) Export declaration value of export goods;

(b) Freight and insurance premiums of export goods to the port of unloading;

(c) Freight and insurance premiums of them from the port of loading to the domestic port of unloading after they are processed or repaired;

(d) The amount corresponding to the expenses for the processing or repairing.

**Article 120 (Application for Reduction or Exemption of Customs Duties for Goods Used for Other Purpose)**

(1) Any person who intends to get the reduction or exemption of customs duties under Article 103 of the Act shall file an application stating the following matters, appended by documents necessary to get customs duties reduced or exempted for goods imported to be used for the new purpose with the head of the relevant customs office when he/she applies for approval or files an application for confirmation in accordance with Article 109 (1) or 134:

1. The name, standard, quantity and price of the relevant goods;

2. The import declaration number, the date on which the import declaration is accepted and the name of the relevant customs office in which goods go through customs clearance;

3. The original purpose of use, business type, the place where goods are installed or used and the legal basis for the reduction or exemption of customs duties;

4. The new purpose of use of the relevant goods, business type, the place where goods are installed and used and the legal basis for the reduction or exemption of customs duties.

(2) Where customs duties are reduced or exempted under Article 103 of the Act, if the amount of customs duties which are reduced or exempted according to the new purpose of use is smaller than that of customs duties which are originally reduced or exempted, the amount of customs duties, which is equivalent to a difference therefrom, shall be collected.

**Article 121 (Refund of Customs Duties Due to Export, etc. of Goods Different from Contract Contents)**

(1) Where goods, on which an import declaration is accepted, are different from contents of a contract and remain unchanged in the form and nature from the time that they are imported, any person, who intends to export the relevant goods under Article 106 (1) or (2) of the Act or to ship the relevant goods into a bonded factory, shall file an export declaration or file a report on the shipment of the relevant goods into such bonded factory, accompanied by the statement, stating the name, specification, quantity, price of such goods and reasons for their export or shipment, an evidential document with respect to the details of such contract on the import of the relevant goods, then import declaration completion certificate or an evidential document issued by the relevant customs office in lieu of such certificate, with the head of the relevant customs office. <Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 20624, Feb. 22, 2008>

(2) Any person who intends to get customs duties refunded after exporting the goods under paragraph (1) or shipping the goods into a bonded factory shall file an application stating the name, standard, quantity, the date on which an import declaration is accepted, the import declaration number of the relevant goods and the amount of customs duties he/she wants to be refunded, appended by the import declaration completion certificate, the written approval for the shipment of the goods into the bonded factory or other certificates issued by the relevant customs office in lieu of such certificate, with the head of the relevant customs office. <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

(3) The amount of customs duties to be refunded under paragraph (2) shall be the total amount of customs duties already paid for the goods and where part of the goods are exported or are shipped into a bonded factory, the amount of customs duties to be refunded shall be the amount of customs duties, which corresponds to the part of such goods. <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

**Article 122 (Refund of Customs Duties for Disposed Goods)**

(1) Any person who intends to obtain approval for disposing of goods under Article 106 (3) of the Act shall file an application stating the following matters, appended by the import declaration completion certificate of the relevant goods or any certificate issued by the relevant customs office in lieu of such certificate and an evidential document explaining the inevitability of disposing of the relevant goods, with the head of the relevant customs office:

1. The name, standard, quantity, the date on which an import declaration is accepted, the import declaration number and the place where the relevant goods are stored;

2. The method of disposing of the relevant goods, the date on which the relevant goods are planned to be disposed of, and the place where the relevant goods are planned to be disposed of;
3. Reasons for disposing of such goods.

(2) Any person who intends to get customs duties refunded under Article 106 (3) of the Act, which are paid on goods disposed upon the approval described in paragraph (1), shall file an application stating the matters falling under each of the following subparagraphs, appended by a written disposal approval under paragraph (1), with the head of the relevant customs office:

1. The name, standard, quantity, the date on which an import declaration is accepted and the import declaration number of the relevant goods and the place where such goods are stored;
2. The date on which the relevant goods are disposed of;
3. The name, standard and quantity of remainders resulting from the disposal of the relevant goods.

(3) The amount of customs duties to be refunded under paragraph (2) shall be the amount of customs duties that are already paid on the goods: Provided, That with respect to the remainders referred to in paragraph (2) 3, the amount of customs duties to be refunded shall be the amount obtained by deducting the amount of customs duties to be assessed according to the nature, quantity and price of such remainders at the time the goods are disposed of from the amount of customs duties that are already paid.

**Article 123 (Refund of Customs Duties Due to Destruction or Loss, Qualitative Change and Damage, etc.)**

(1) Any person who intends to get customs duties refunded in accordance with Article 106 (4) of the Act shall file an application stating the following matters, appended by the import declaration completion certificate or other certificate issued by the relevant customs office in lieu of such certificate, with the head of the relevant customs office:

1. The name, standard, quantity of the relevant goods, the date on which the import declaration thereon is accepted, the import declaration number and the place where such goods are stored;
2. The extent of damage and other reference materials;
3. The amount of customs duties he/she wants to be refunded and the base for calculating such amount.

(2) The amount of customs duties that are refunded in accordance with paragraph (1) shall be the amount classified according to each of the following subparagraphs:

1. Goods destroyed or lost: The whole amount of customs duties that are already paid;
2. Qualitatively changed or damaged goods: The amount calculated applying mutatis mutandis the provisions of Article 118 of the Act.

**Article 124 (Application for Canceling Assessment of Customs Duties on Goods that is Unpaid and Different from Contents of Contract)**

Any person who intends to get the assessment of customs duties cancelled in accordance with Article 106 (5) of the Act shall file an application therefor with the head of a customs office before the time limit for payment of customs duties on the relevant imported goods (in cases of the postponement of collection or payment in installments, referring to the closing date of the period of postponement of collection or the

period of payment in installments). <Amended by Presidential Decree No. 24373, Feb. 15, 2013>

#### **Article 124-2 (Refund of Customs Duties on Goods for Private Use Exported in Original Conditions)**

(1) Goods for private use exported in original conditions referred to in the former part of Article 106-2 (1) of the Act shall meet all of the following requirements:

1. Must be exported without changing the nature or shape as at the time an import declaration is filed;
2. Must be verified by the head of a customs office that they have never been used in Korea.

(2) A person who intends to receive the refund of any customs duty under Article 106-2 (1) of the Act, shall submit an application stating the name, specification, and quantity of the relevant goods, and import declaration number and the amount of customs duty that he/she intends to be refunded, to the head of a customs office, along with the following documents:

1. Certificate of import declaration completion of the relevant goods;
2. Certificate of export declaration completion of the relevant goods or any certificate issued by a customs office substituting it.

(3) The amount of a customs duty to be refunded under Article 106-2 (1) of the Act, shall be the amount classified as follows:

1. Where all of the goods are exported: The whole amount of custom duty already paid;
2. Where some of the goods are exported: The amount of custom duty assessed on such goods.

#### **Article 125 (Payment of Customs Duties in Installments Due to Force Majeure)**

(1) Any person who intends to pay customs duties in installments under Article 107 (1) of the Act shall file an application stating the following matters with the head of the relevant customs office within the payment time limit:

1. The name, domicile and firm name of the person liable for duty payment;
2. The amount of customs duties he/she wants to pay in installments, the date on which an import declaration of the relevant goods is filed, the import declaration number, and the name, standard, quantity and price of the relevant goods;
3. Reasons for paying customs duties in installments and a period therefor;
4. The amount of customs duties to be paid in installments and frequency.

(2) Where the head of the relevant customs office allows the payment of customs duties in installments under paragraph (1), the provisions of Article 2 shall apply mutatis mutandis thereto.

#### **Article 126 (Application for Approving Payment of Customs Duties in Installments)**

Any person who intends to obtain approval for paying customs duties in installments in accordance with Article 107 (2) of the Act shall file an application stating the name, standard, quantity, price, the purpose of use of the relevant goods, the place where such goods are used and business type with the head of the relevant customs office from the time that an import declaration thereon is filed before the time that such import declaration is accepted.

#### **Article 127 (Notice of Payment of Customs Duties in Installments)**

(1) When the head of the relevant customs office grants approval for paying customs duties in installments under Article 126, he/she shall issue a duty payment notice by the payment time limit in accordance with Article 39 of the Act.

(2) When the head of the relevant customs office collects customs duties in accordance with Article 107 (9) of the Act, he/she shall issue a duty payment notice under Article 39 of the Act, for a fixed time limit for payment not exceeding 15 days. <Amended by Presidential Decree No. 24373, Feb. 15, 2013>

(3) Any duty payment notice that is issued on customs duties under paragraph (1) after the payment time limit referred to in paragraph (2) shall be cancelled.

#### **Article 128 (Approval for Using Goods for Other Purpose)**

Any person who intends to obtain approval from the head of the relevant customs office under Article 107 (3) of the Act shall file an application stating the following matters, appended by a copy of the contract on transfer and acquisition by transfer of the relevant goods, with the head of a customs office having jurisdiction over the place where such goods are located:

1. The name, standard, quantity, price of the relevant goods, the name of the relevant customs office in which such goods go through customs clearance, the date on which an import declaration thereon is accepted and the import declaration number;
2. The amount of customs duties he/she wants to pay in installments and the amount of customs duties that are already paid;
3. The transferee;
4. Reasons for obtaining such approval.

#### **Article 129 (Shipment of Goods Whose Customs Duties are Approved to be Reduced or Exempted or Paid in Installments and Change Report)**

(1) Any person who has obtained approval for the application of the usage tariff rate, the reduction or exemption of customs duties or the payment of customs duties in installments in accordance with Articles 83, 89 (1) 2, 90, 91, 93, 95, 98 and 107 of the Act shall ship the relevant goods into the place where such goods are installed or used within one month from the day on which an import declaration thereon is accepted. <Amended by Presidential Decree No. 27952, Mar. 27, 2017>

(2) Any person who has obtained approval for the application of the usage tariff rate, the reduction or exemption of customs duties, or the payment of customs duties in installments pursuant to paragraph (1) may file an application for the extension of the time limit for shipment with the head of a customs office, as determined by the Commissioner of the Korea Customs Service, where any extenuating circumstance exists for delay in shipment, such as the shortage of place where the goods are to be installed. <Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017>

(3) The head of a customs office in receipt of an application under paragraph (2) may extend the relevant period for up to three months from the date the relevant import declaration is accepted. <Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017>

(4) Any person who ships the relevant goods into the place where such goods are installed or used in accordance with paragraph (1) shall keep a book in which any of the following matters are stated:

1. The name, standard and quantity of the relevant goods;
2. Matters concerning the price of the relevant goods, the application of the usage tariff rate, the reduction or exemption of customs duties or the payment of customs duties in installments;
3. The import declaration number of the relevant goods, the date on which the import declaration thereon is accepted and the name of the relevant customs office in which such goods go through customs clearance;
4. The date on which the goods are installed or used and the date on which the use of such goods commences;
5. The place where such goods are installed or used and details of their use.

(5) Where it is intended to change the place in which goods are installed or used for the goods for which approval is granted for the application of the usage tariff rate or the goods whose customs duties are reduced or exempted in accordance with Articles 83, 89 (1) 2, 90, 91, 93, 95 and 98 of the Act within the period prescribed in the relevant provisions, or the goods for which approval is granted for the payment of customs duties in installments in accordance with Article 107 of the Act within the installment payment period expires, a report stating the change of the place and the following matters shall be made to the head of the relevant customs office having jurisdiction over the previous place and the goods shall be shipped into the changed place within one month from the day on which such report is filed: Provided, That where a person intends to ship his/her goods into his/her another domestic place due to an emergency situation such as a natural disaster or a labor-management dispute, he/she shall file a report thereon to the head of the relevant customs office having jurisdiction over the place and file a report on the change of the place to the head of the relevant customs office within one month from the day on which he/she ships his/her goods into the changed place:

1. The name, standard and quantity of the relevant goods;
2. The price, the applied usage tariff rate, the amount of exempted customs duties or the amount of approved payment of customs duties in installments and the legal basis therefor of the relevant goods;
3. The import declaration number of the relevant goods and the relevant customs office in which such goods go through customs clearance;
4. The date on which the relevant goods are shipped into the place where such goods are installed or used and the date on which the use of such goods commences;
5. The place where the relevant goods are installed or used and the name and domicile of the reporter.

#### **Article 130 (Transfer of Goods Subject to Follow-up Management and Collection of Customs Duties)**

(1) With respect to goods for which approval is granted for the application of the usage tariff rate, the reduction or exemption of customs duties or the payment of customs duties in installments in accordance with Articles 83, 89 (1) 2, 90, 91, 93, 95 (1) 1 through 3, 98 and 107 of the Act, if the relevant customs office in which such goods are cleared and the jurisdictional customs office are different, the head of the

relevant customs office in which the goods are cleared shall turn over related documents concerning the relevant goods to the head of the jurisdictional customs office as prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

(2) With respect to goods, the related documents of which are handed over by the head of the relevant customs office where such goods are cleared, to the head of the jurisdictional customs office under paragraph (1), the customs duties to be assessed on such goods in accordance with Article 97 (3) of the Act (including cases applicable mutatis mutandis in Article 98 (2) of the Act) and Article 102 (2) of the Act shall be collected by the head of the jurisdictional customs office.

#### **Article 131 (Reporting on Offering Securities, etc.)**

(1) Determination as to whether security should be provided under the provisions of Article 108 (1) of the Act shall be made, based on the nature and kind of the goods, the possibility of securing duty claims, etc. but it shall be limited to cases falling under any one of the following subparagraphs: *<Amended by Presidential Decree No. 19993, Apr. 5, 2007>*

1. Where customs duties are reduced or exempted under Article 97 or 98 of the Act;
2. Where approval is granted for the payment of customs duties in installments under Article 107 of the Act.

(2) The head of the relevant customs office may have security offered under Article 108 (1) of the Act by the time import declaration is accepted: Provided, That with regard to goods which are imported on a day in which no financial institutions may conduct business, such as holidays (including the Workers' Day under the Designation of Workers' Day Act and Saturdays) due to an urgent reason and are determined and publicly announced by the Commissioner of the Korea Customs Service taking into account the level of urgency, etc., he/she may have security offered by the day in which financial institutions conduct their business first after the time the import declaration is accepted. *<Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>*

#### **Article 132 (Confirmation of Implementation of Conditions for Reduction or Exemption of Customs Duties, etc.)**

(1) The head of the relevant customs office may take measures as prescribed by the Commissioner of the Korea Customs Service necessary to confirm implementation of the relevant conditions for the goods which are granted approval for the application of the usage tariff rate, the reduction or exemption of customs duties or the payment of customs duties in installments. *<Amended by Presidential Decree No. 18086, Aug. 21, 2003>*

(2) The documents provided for in Article 108 (2) of the Act shall be submitted to the head of the relevant customs office in which goods go through customs clearance or the head of the jurisdictional customs office as prescribed by the Commissioner of the Korea Customs Service.

#### **Article 133 (Entrustment of Follow-up Management)**

(1) When it is necessary to confirm implementation of the conditions for the goods which are granted approval for the application of usage tariff rates, the reduction or exemption of customs duties or the



payment of customs duties in installments, the Commissioner of the Korea Customs Service shall entrust the matters concerning the post management according to the following classifications under Article 108 (3) of the Act: <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 22816, Apr. 1, 2011>

1. In cases of Article 109 (1) of the Act: The minister of the ministry in charge of the enforcement of the relevant Act and treaty, etc;

2. In cases of Article 83 (1), 90, 91, 93, 95 (1) 1 through 3 or 107 of the Act: The minister of the ministry in charge of the relevant affairs.

(2) When the minister of the ministry entrusted with the follow-up management under paragraph (1) confirms the cause exists for collecting customs duties on the goods which are granted approval for collecting customs duties on the goods which are granted approval for the application of usage tariff rates, the reduction or exemption of customs duties or the payment of customs duties in installments, he/she shall promptly serve a written notice stating the following matters on the head of the relevant customs office having jurisdiction over the place where the relevant goods are located: <Amended by Presidential Decree No. 17833, Dec. 30, 2002>

1. The import declaration number of the relevant goods;

2. The name and quantity of the relevant goods;

3. Reasons for collecting customs duties on the relevant goods which are granted approval for the reduction or exemption of customs duties or the payment of customs duties in installments;

4. The domicile and name of the owner of the relevant goods.

(3) Matters concerning the post management of the goods entrusted under paragraph (1) shall be determined by the minister of the ministry entrusted with the post management after consulting with the Commissioner of the Korea Customs Service.

#### **Article 134 (Application for Confirming Use of Goods for Other Purpose under Other Statutes or Treaties)**

Any person who intends to obtain confirmation under Article 109 (1) of the Act shall file with the head of the relevant customs office having jurisdiction over the place where the relevant goods are located a confirmation application stating the matters prescribed in Article 120 (1) of the Act and other statutes, a treaty or a convention and the provisions which are the basis for the reduction or exemption of customs duties of the relevant goods, appended by a document attesting the fulfillment of the requirements necessary for the transfer of the relevant goods or the use of the relevant goods for other purpose under such statutes, treaty, or convention.

#### **Article 135 (Time for Delivering Duty Payer Right Charter)**

"Cases prescribed by Presidential Decree" in Article 110 (2) 3 of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where the seizure is made to secure the collection right;

2. Where a bonded store is investigated.

#### **Article 135-2 (Exceptions to Principles of Consolidated Investigations)**

"Cases prescribed by Presidential Decree where a customs officer needs to investigate a specific field only" in Article 110-2 of the Act means any of the following cases:

1. Where it is necessary to investigate a specific field only in consideration of a suspicion of tax evasion or an offence of duties related to import and export, type and scale of business, etc. of an exporter, importer, etc.;
2. Where an urgent investigation is necessary to secure duty claims, etc.;
3. Cases prescribed by Ordinance of the Ministry of Strategy and Finance where it is necessary to investigate a specific field only in consideration of the efficiency of investigation, convenience of duty payers, etc.

#### **Article 135-3 (Standards for Customs Duty Investigations against Persons who have not been Investigated for Long Period)**

Investigations prescribed in Article 110-3 (1) 2 of the Act shall be conducted in compliance with standards determined by the Commissioner of the Korea Customs Service in consideration of the type, scale, history, etc. of business of the exporters, importers, etc.

#### **Article 135-4 (Exemption from Customs Duty Investigations against Faithful Entity of Small Scale Business)**

In accordance with the main sentence of Article 110-3 (4) of the Act, a person who meets all the following requirements may be exempted from an investigations provided in Article 110-3 (1). <Amended by Presidential Decree No. 27952, Mar. 27, 2017>

1. The scale of export and import declarations for the preceding two years shall not exceed three billion won;
2. He/she shall not fall under any of the following subparagraphs within the preceding four years:
  - (a) The fact that he/she has been subject to a disposition of notification or a fine or a heavier punishment for violating any statute related to export and import;
  - (b) The fact that he/she has failed to pay customs duties or any internal tax;
  - (c) The fact that a rectification has been made by the head of a customs office as the amount of payment of customs duties by self-assessment pursuant to Article 38-3 (6) is deficient.

#### **Article 136 (Prohibition on Repetitious Investigation)**

"General investigations are conducted against persons who have been on suspicion of tax evasion and other cases prescribed by Presidential Decree" referred to in Article 111 (2) 5 of the Act means the case where a general investigation is conducted on persons suspected of evading customs duties through smuggling, illegal or unfair trade or other acts which disrupt economic order. <Amended by Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 28642, Feb. 13, 2018>

**Article 137 Deleted.** <by Presidential Decree No. 25224, Mar. 5, 2014>

**Article 138 (Grounds for Excluding from Assumption of Duty Payer's Good Faith, etc.)**

(1) "Other cases prescribed by Presidential Decree" in Article 113 (1) of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where any duty payer fails to perform his/her duty to cooperate in payment of duties, such as a declaration for duty payment, an application and the submission of duty data;
2. Where there is specific information about duty evasion by a duty payer;
3. Where a declaration for duty payment contains indisputable data corroborating an omission or an error;
4. Where the content of a declaration for duty payment filed by a duty payer are deemed non-compliant in comparison with the standards prescribed by the Commissioner of the Korea Customs Service.

(2) "Acts prescribed by Presidential Decree" in Article 113 (2) of the Act means any of the following: <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>

1. An question or request for submitting data necessary for examining the amount of customs duties under Article 38 (2) of the Act;
2. An inspection of goods under Article 246 of the Act;
3. Submission of books or data under Article 266 (1) of the Act;
4. A data survey or a request for submission of data under other Acts (including the Act on Special Cases concerning the Refund of Customs, etc. Levied on Raw Materials for Export).

**Article 139 (Prior Notice on Customs Investigation)**

Where a prior notice of a customs investigation is served on a duty payer or any authorized person pursuant to Article 114 (1) of the Act, such prior notice shall be made in writing stating the following matters: <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

1. The name, domicile or residence of the duty payer or the authorized person;
2. A period for investigation;
3. The subject of investigation and reasons for investigation;
4. Deleted; <by Presidential Decree No. 28642, Feb. 13, 2018>
5. Other necessary matters.

**Article 139-2 (Period for Customs Investigations)**

(1) A period for investigation referred to in subparagraph 2 of Article 139 shall be minimized in comprehensive consideration of the scale of export and import of the person subject to investigation, number of personnel, methods, scope and difficulty in the investigation, but a period for investigation shall not exceed 20 days in cases of visiting investigations. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

(2) Notwithstanding paragraph (1), a period for investigation may be extended up to 20 days in any of the following subparagraphs. In such cases, if the period is extended at least two times, each extension of the period up to 20 days may be obtained with approval from the Commissioner of the Korea Customs

Service: <Amended by Presidential Decree No. 24373, Feb. 15, 2013>

1. Where it is apparent that the person to be investigated has intention to evade the investigation, by concealing books, documents, etc., or delaying or refusing the submission thereof;
2. Where it is necessary to extend the scope of the investigation to other goods or other party to a transaction;
3. Where the investigation is suspended due to natural disasters or labor disputes;
4. Where it is necessary to extend the period for investigation in order to verify the actual relation or secure evidence on a ground corresponding to those prescribed in subparagraphs 1 through 3.

(3) A customs officer may suspend an investigation if it is impractical to continue the investigation on any of the following grounds, such as a duty payer's delay in submitting data. In such cases, the period of suspension shall not be included in the period for investigation or in the extended period for investigation referred to in paragraphs (1) and (2): <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

1. Where a duty payer requests for suspension of investigation due to a natural disaster or on any ground for application for postponement of customs investigation provided in Article 140 (1);
2. Where it is impractical to normally continue the investigation as a duty payer conceals books, documents, etc., or delays or refuses the submission thereof;
3. Where it is impractical to normally continue the customs investigation due to the occurrence of a labor dispute, etc.;
4. Where any extenuating circumstance prescribed by the Commissioner of the Korea Customs Service exists to suspend the customs investigation.

(4) When a customs officer has suspended a customs investigation pursuant to paragraph (3), he/she shall resume the investigation immediately after the ground for suspension has ceased: Provided, That he/she may resume the investigation ever before the ground for suspension has ceased if it is necessary to resume the investigation urgently for such purposes as securing of duty claims, etc. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

(5) When a customs officer extends a period for investigation or suspends or resumes an investigation pursuant to paragraphs (2) through (4), he/she shall provide written notice of the ground and period therefor, etc. to a person to be investigated. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

#### **Article 140 (Application for Postponing Customs Investigation)**

(1) "Grounds prescribed by Presidential Decree" in Article 114 (2) of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where a fire or a disaster causes serious business difficulties;
2. Where a customs investigation is deemed impracticable to be conducted due to the illness, long-term official trip, etc. of a duty payer or an authorized person;
3. Where an authorized agency has seized or has the custody of books and evidential documents;
4. Where a ground exists falling under subparagraphs 1 through 3.

(2) Any person who intends to get the customs investigation postponed under Article 114 (2) of the Act shall submit a document stating the following matters to the head of the relevant customs office:

1. The name, domicile and residence of the person who intends to get the customs investigation postponed;
2. The period during which the customs investigation is postponed;
3. Grounds for getting the customs investigation postponed;
4. Other necessary matters.

(3) The head of a customs office who has received an application for postponement of an investigation in customs duties pursuant to paragraph (2) shall determine whether such application for postponement should be approved; and shall notify an applicant of the result thereof before he/she commences such investigation. <Newly Inserted by Presidential Decree No. 24373, Feb. 15, 2013>

#### **Article 140-2 (Methods of and Procedures for Temporarily Keeping Books, etc.)**

(1) Where a customs officer intends to temporarily keep books, documents or other goods (hereafter referred to as "books, etc." in this Article) pursuant to Article 114-2 (2) of the Act, he/she shall notify a person having legitimate authority of the following matters, such as a duty payer, holder or custodian (hereafter referred to as "duty payer, etc." in this Article), before temporarily keeping the books, etc.:

1. The reason for temporarily keeping the books, etc. prescribed in the subparagraphs of Article 110-3 (2) of the Act;
2. The content that the books, etc. cannot be temporarily kept without the consent of the duty payer, etc.;
3. The content that only the books, etc. voluntarily submitted by the duty payer, etc. can be temporarily kept;
4. The content that the books, etc. temporarily kept can be returned at the request of the duty payer, etc.

(2) A duty payer, etc. may request a customs officer to exclude books, etc. unrelated to the purpose or scope of investigation from the books, etc. to be temporarily kept.

(3) Upon completing the relevant customs duty investigation, a customs officer shall return all of the temporarily kept books, etc.

#### **Article 141 (Notice of Results of Customs Investigation)**

"Cases prescribed by Presidential Decree" in the proviso to Article 115 of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where a notice disposition is taken to a duty payer;
2. Where an accusation is filed against a customs offense case;
3. Where the business is closed down;
4. Where it is deemed impracticable to serve a notice due to the impossibility of identifying the domicile and residence of a duty payer and other reasons.

#### **Article 141-2 (Publication of List of Names of Large-Amount and Habitually Delinquent Duty Payers)**

(1) "Grounds prescribed by Presidential Decree" in the proviso to Article 116-2 (1) of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where not less than 30/100 of the amount in arrears is paid;
2. Where a person is in the grace period after the collection of his/her duty in arrears is deferred due to a decision to authorize the rehabilitation program provided for in Article 243 of the Debtor Rehabilitation and Bankruptcy Act or the person pays the duty in arrears according to the duty payment schedule fixed under the rehabilitation program;
3. Where the Customs Information Revelation Deliberative Committee provided for in Article 116-2 (2) of the Act finds it useless and inappropriate to publish the list of names of delinquent duty payers taking into account their property, whether they are minors, or other circumstances, etc.

(2) The Commissioner of the Korea Customs Service shall, when he/she notifies a person that he/she is subject to the disclosure the list of names of delinquent duty payers pursuant to Article 116-2 (3) of the Act, instruct them to pay their duties in arrears and where anyone falls under the grounds that he/she is excluded from the publication of the list of the names of delinquent duty payers, the Commissioner of the Korea Customs Service shall request him/her to furnish materials vindicating himself/herself.

(3) Matters to be included in the list of names of delinquent duty payers shall include the names of the delinquent duty payers, firm names (including the names of corporations), the ages, occupations and domiciles of the delinquent duty payers, the details of the amount in arrears, the payment deadline and the summary of arrearages, etc. and where the delinquent duty payer is a corporation, the representative of such corporation shall be included in the publication.

#### **Article 141-3 (Composition and Operation of Duty Freedom of Information Deliberative Committee)**

(1) The Deputy Commissioner of the Korea Customs Services shall concurrently serve as the chairperson of the Customs Information Disclosure Deliberative Committee provided for in the provisions of Article 116-2 (2) of the Act (hereafter referred to as the "Committee" in this Article) and the persons falling under each of the following subparagraphs shall be the members of the Committee: <Amended by Presidential Decree No. 19513, Jun. 12, 2006>

1. Four public officials who are appointed by the Commissioner of the Korea Customs Service from among the public officials in general service who belong to the Senior Executive Service of the Korea Customs Service;
2. Six persons who are commissioned by the Commissioner of the Korea Customs Service from among the persons of profound learning and experience in law, finance or economy.

(2) The term of office of the members who are commissioned pursuant to the provisions of paragraph (1) 2 shall be two years and may be renewed only once: Provided, That a member appointed to fill a vacancy occurring before the expiration of the term for which his/her predecessor was appointed, shall serve for the remainder of such term. <Amended by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>

(3) When any member of the Committee falls under any of the following, the Commissioner of the Korea Customs Service may remove or dismiss such member: <Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>

1. Where the member becomes incapable of performing his/her duties due to a physical or mental disorder;
2. Where the member engages in misconduct in connection with his/her duties;
3. Where the member is deemed unsuitable as a member due to neglect of a duty, loss of dignity, or on any other reason;
4. Where the member voluntarily admits that it is difficult for him/her to perform his/her duties;
5. Where the member fails to refrain from participating in deliberation and resolution, in spite of falling under any subparagraph of paragraph (5).

(4) The Committee's meetings shall open with the attendance of a majority of the total members including the chairperson and resolve with the concurrent vote of a majority of those present.

(5) Any Committee member who falls under any of the following cases shall be excluded from the deliberation and resolution: <Newly Inserted by Presidential Decree No. 28642, Feb. 13, 2018>

1. Where the member is a party to the relevant agenda (where a party to the relevant agenda is a corporation, organization, etc., including the executive officers thereof, hereafter the same shall apply in this paragraph) or a person directly interested in the relevant agenda;
2. Where the member's spouse, relative within the fourth degree of consanguinity, or relative within the second degree of affinity within the second degree is a party to the relevant agenda or has direct interest in the relevant agenda;
3. Where the member is a current representative or was the representative of a party to the relevant agenda within the recent five years;
4. Where the member belongs to or has belonged within the recent five years to a corporation, organization, etc. which is the current representative or was the representative of a party to the relevant agenda;
5. Where the member has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within the recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.;
6. Where the member currently belongs to or has belonged within the recent five years to a corporation, organization, etc. which has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within the recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.

(6) If any Committee member falls under any subparagraph of paragraph (5), he/she shall voluntarily refrain from the deliberation and resolution on the relevant agenda. <Newly Inserted by Presidential Decree

*No. 28642, Feb. 13, 2018>*

(7) Except as otherwise expressly provided for in paragraphs (1) through (6), matters necessary for the composition and operation of the Committee shall be prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>*

**Article 141-4 (Submission of Certificate of Tax Payment)**

(1) "Government-managed institution prescribed by Presidential Decree" in Article 116-3 (1) 1 of the Act means a corporation, organization, etc. which is subject to obligatory audit by the Board of Audit and Inspection pursuant to Article 22 (1) 3 or 4 of the Board of Audit and Inspection Act.

(2) "Permit for a stay prescribed by Presidential Decree, such as a permit to extend the period of sojourn" in Article 116-3 (1) 2 of the Act means any of the following: *<Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>*

1. Report on the place of residence in Korea under Article 6 of the Act on the Immigration and Legal Status of Overseas Koreans;
2. Permit to engage in activities not covered by original status of stay under Article 20 of the Immigration Act;
3. Permit or report a change in or addition of a workplace under Article 21 of the Immigration Act;
4. Grant of a status of stay under Article 23 of the Immigration Act;
5. Permit to change a status of stay under Article 24 of the Immigration Act;
6. Permit to extend a status of stay under Article 25 of the Immigration Act;
7. Registration of an alien under Article 31 of the Immigration Act.

(3) Articles 2 (excluding subparagraph 1), 4 and 5 of the Enforcement Decree of the National Tax Collection Act shall apply mutatis mutandis to the content, submission, etc. of a certificate of tax payment prescribed in Article 116-3 of the Act. In such cases, "Commissioner of the National Tax Service (limited only through the Tax Information System) or the head of a tax office" in Article 5 (2) of the Enforcement Decree of the National Tax Collection Act shall be construed as "Commissioner of the Korea Customs Service or the head of a customs office". *<Amended by Presidential Decree No. 29530, Feb. 12, 2019>*

**Article 141-5 (Application for Issuance of Certificate of Tax Payment)**

Each person, who intends to obtain a certificate of tax payment under Article 116-3 (2) of the Act, shall submit an application in the form prescribed by Ordinance of the Ministry of Strategy and Finance to the head of the relevant customs office.

**Article 141-6 (Term of Validity of Certificate of Tax Payment)**

(1) The term of validity of a certificate of tax payment shall be 30 days from the date of the issuance thereof: Provided, That where it contains matters concerning any customs duties, internal taxes, etc. the period for payment of which is in progress as of the issuance date, the term of validity may be extended to the payment deadline thereof.



(2) When the head of a customs office determines a term of validity in accordance with the proviso to paragraph (1), he/she shall specify the ground and the term of validity in the relevant certificate of tax payment.

#### **Article 142 (Omission of Notice Prior to Assessment of Customs Duties)**

“Cases which are prescribed by Presidential Decree” in Article 118 (1) 6 of the Act means any of the following cases: <Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 28642, Feb. 13, 2018>

1. Where the amount of customs duties, which comes short due to an indisputable mistake such as an error in the calculation of the amount of customs duties to be paid, is collected;
2. Where customs duties are collected in compliance with a correction request made by the Board of Audit and Inspection under Article 33 of the Board of Audit and Inspection Act;
3. Where a duty payer is dishonored, suspends or closes his/her business, or goes bankrupt;
4. Where a deficient amount of customs duties is collected after the tariff rate or the HS code of the tariff classification that are to be applied to export and import goods is changed by the classification of items determined by a resolution of the Tariff Classification Committee provided in Article 85 of the Act;
5. Where the relevant disposition is revoked or corrected or any necessary disposition is taken based on the findings of the reinvestigation conducted pursuant to the latter part of Article 118 (4) 2 of the Act or the latter part of Article 128 (1) 3 of the Act (including cases applicable mutatis mutandis in Article 132 (4) of the Act).

#### **Article 142-2 (Notification of Dispositions Based on Findings of Reinvestigation)**

Where the Commissioner of the Korea Customs Service or the head of a customs office revokes or amends a disposition with respect to the request, or takes a necessary disposition based on the findings of a reinvestigation conducted pursuant to the latter part of Article 118 (4) 2 of the Act or the latter part of Article 128 (1) 3 of the Act (including cases applicable mutatis mutandis in Article 132 (4) of the Act), he/she shall notify, without delay, the applicant for a pre-assessment review or the person who has filed a request for examination (in cases applicable mutatis mutandis in Article 132 (4) of the Act, referring to the person who has filed an objection), of the results of such disposition in writing.

#### **Article 143 (Scope of Pre-Assessment Review)**

"If it is necessary to modify any authoritative interpretation made by the Commissioner of the Korea Customs Service or make a new authoritative interpretation with respect to statutes and Presidential Decree prescribes other cases" in the proviso to Article 118 (2) of the Act means any of the following cases: <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 23602, Feb. 2, 2012>

1. Where a new interpretation is required in connection with the directives, rules, publication, etc. of the Commissioner of the Korea Customs Service;

2. Where the amount of customs duties is rectified or any underpaid customs duty is collected according to instructions given by or as a result of an audit and inspection of official business conducted by the Commissioner of the Korea Customs Service;
3. Where the amount of customs duties is rectified or any underpaid customs duty is collected as the tariff rate or the code number of the Schedules of Tariff Rates in the classification of goods applicable to export and import goods is changed in accordance with the classification of items and authoritative interpretation by the director of the Customs Valuation and Classification Institute;
4. Where the same person liable to pay customs duties has to file a request for pre-assessment review with at least two heads of the relevant customs office in connection to the same matter;
5. Cases not falling under any of subparagraphs 1 through 4, where the amount for which the pre-assessment review is requested is not less than 500 million won.

#### **Article 144 (Grounds for Omitting Review of Customs Appeal Committee)**

"Ground prescribed by Presidential Decree, such as where an application for pre-assessment review is filed after the lapse of the period for filing an application for pre-assessment review" in the proviso to Article 118 (3) of the Act, means any of the following grounds:

1. Where an application for pre-assessment review is filed after the lapse of the period for filing an application for pre-assessment review;
2. Where no notice is given under the main sentence of Article 118 (1) of the Act;
3. Where notice given under the main sentence of Article 118 (1) of the Act is not addressed to the applicant;
4. Where no revision is made during the revision period referred to in the main sentence of Article 123 (1) of the Act which applies mutatis mutandis under Article 118 (6) of the Act;
5. Where the details of notice, dispute, etc. subject to the application for pre-assessment review is identical to the matters determined after undergoing deliberation thereon by the Customs Appeal Committee.

#### **Article 145 (Request for Examination)**

(1) When a request for examination is filed under Article 119 of the Act, the following matters shall be entered in a written request for examination prescribed by the Commissioner of the Korea Customs Service. In such cases, a relevant evidential document or evidence, if any, may be appended thereto:

1. The domicile or residence and name of a person who files a request for examination;
2. The date on which a disposition is learned (where a notice is received, the date on which such notice is received);
3. The content of the disposition;
4. A summary of the request for examination and reasons for dissatisfaction.

(2) If deemed necessary for preparing a written opinion pursuant to Article 122 (3) of the Act on a request for examination under paragraph (1) or for an examination and decision under Article 127 of the Act, the head of a customs office or the Commissioner of the Korea Customs Service may, either ex officio or

upon the application by a person who has filed the request for examination, ask questions as to how the customs clearance is conducted, to a licensed customs broker (including joint offices, corporate customs brokers, and customs clearance broker corporations) who has acted on behalf of his/her customer in the relevant customs clearance process which is subject to such request for examination; and may request the licensed customs broker to submit relevant data. <Amended by Presidential Decree No. 22086, Mar. 26, 2010>

(3) "Any interested person prescribed by Presidential Decree" in the former part of Article 119 (9) of the Act means any of the following persons: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 29530, Feb. 12, 2019>

1. A secondary person liable for duty payment who receives a duty payment notice;
2. A person liable for physical duty payment under Article 19 (10) of the Act who receives a duty payment notice;
3. A tax payment guarantee;
4. Other persons prescribed by Ordinance of the Ministry of Strategy and Finance.

(4) Where a written request for examination is filed with the head of a customs office other than the head of the relevant customs office described in Article 122 (1) of the Act or with the Commissioner of the Korea Customs Service, such written request for examination shall be promptly sent to the head of the relevant customs office; and a notice thereon shall be served on the person requesting the relevant examination.

(5) and (6) Deleted. <by Presidential Decree No. 28642, Feb. 13, 2018>

#### **Article 146 (Request for Revision)**

Where a request is made for revising contents of or procedures for a request for examination under Article 123 of the Act, such request shall be made in a document stating the following matters:

1. Matters to be revised;
2. Reasons for requesting the revision;
3. Period during which the revision made;
4. Other necessary matters.

#### **Article 147 (Functions, Composition, etc. of Customs Appeal Committees)**

(1) Matters to be deliberated by Customs Appeal Committees shall be classified as follows: <Amended by Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 26791, Dec. 30, 2015>

1. The Customs Appeal Committee established in the Korea Customs Service: Matters for which a pre-assessment review is filed with the Commissioner of the Korea Customs Service under the proviso to Article 118 (2) of the Act and matters for which a request for examination is filed with the Commissioner of the Korea Customs Service prescribed in Article 122 of the Act;
2. Customs Appeal Committees established respectively in the Incheon Main Customs, the Seoul Main Customs, the Busan Main Customs, the Daegu Main Customs and the Gwangju Main Customs (hereinafter referred to as "Main Customs"): Matters for which a pre-assessment review is filed under the body of Article 118 (2) of the Act and matters for which an objection is filed under Article 132 of

the Act;

3. Customs Appeal Committees established in the customs other than Main Customs provided for in subparagraph 2 (hereinafter referred to as "Front Line Customs"): Matters for which an objection is filed under Article 132 of the Act.

(2) Each Customs Appeal Committee shall consist of the members classified in the following subparagraphs, including one chairperson:

1. The Customs Appeal Committee established in the Korea Customs Service: No more than 29 members;

2. The Customs Appeal Committee established in each Main Customs: No more than 22 members;

3. The Customs Appeal Committee established in each Front Line Customs: No more than 15 members.

(3) The chairperson of each Customs Appeal Committee shall be as follows: *<Amended by Presidential Decree No. 23827, Jun. 5, 2012>*

1. The Customs Appeal Committee established in the Korea Customs Service: The Deputy Commissioner of the Korea Customs Service;

2. The Customs Appeal Committee established in each Main Customs: The head of each Main Customs;

3. The Customs Appeal Committee established in each Front Line Customs: The head of each Front Line Customs.

(4) Members of each Customs Appeal Committee shall be as follows: *<Amended by Presidential Decree No. 23827, Jun. 5, 2012>*

1. The Customs Appeal Committee established in the Korea Customs Service:

(a) No more than eight persons designated by the Commissioner of the Korea Customs Service from among public officials of Grade III or public officials belonging to the Senior Executive Service, who belong to the Korea Customs Service;

(b) No more than 20 persons commissioned by the Commissioner of the Korea Customs Service from among persons with considerable knowledge and experience in law, finance or economy;

2. The Customs Appeal Committee established in each Main Customs:

(a) No more than six persons designated by the chairperson from among the public officials of Grades III through V belonging to the relevant Main Customs;

(b) No more than 15 persons commissioned by the chairperson from among persons with considerable knowledge and experience in law, finance or economy;

3. The Customs Appeal Committee established in each Front Line Customs:

(a) No more than four persons designated by the chairperson from among the public officials of Grades V or VI belonging to the relevant Front Line Customs;

(b) No more than ten persons commissioned by the chairperson from among persons with considerable knowledge and experience in law, finance or economy;

(5) The chairperson of each Customs Appeal Committee shall represent the relevant Customs Appeal Committee and exercise the overall control over its affairs.

(6) If the chairperson of each Customs Appeal Committee is unable to perform his/her duties due to any extenuating circumstances, a member designated, in advance, by the chairperson of the relevant Customs Appeal Committee (referring to the Commissioner of the Korea Customs Service in cases of the Customs Appeal Committee established in the Korea Customs Service; hereafter the same shall apply in this Article) from among the members set forth in each subparagraph of paragraph (4) shall act on his/her behalf. <Amended by Presidential Decree No. 23827, Jun. 5, 2012>

(7) The term of office of members commissioned by the chairperson of each Customs Appeal Committee from among those referred to in each subparagraph of paragraph (4) (hereinafter referred to as "civilian members") shall be two years and may be renewed only once: Provided, That a member appointed to fill a vacancy occurring before the expiration of the term for which his/her predecessor was appointed, shall serve for the remainder of such term. <Amended by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>

(8) If any member of a Customs Appeal Committee falls under any of the following, the chairperson of the relevant Customs Appeal Committee may revoke the commission or dismiss him/her: <Amended by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>

1. Where the member becomes incapable of performing his/her duties due to a physical or mental disorder;
2. Where the member engages in misconduct in connection with his/her duties;
3. Where the member is deemed unsuitable as a member due to neglect of a duty, loss of dignity, or on any other reason;
4. Where the member voluntarily admits that it is difficult for him/her to perform his/her duties;
5. Where the member fails to refrain from participating in deliberation and resolution, in spite of falling under Article 148 (5).

#### **Article 148 (Meetings of Customs Appeal Committees)**

(1) Where a deliberation is required pursuant to Article 147 (1), the chairperson of each Customs Appeal Committee shall convene a meeting fixing a date and preside over such meeting.

(2) A meeting of each Customs Appeal Committee shall be attended by the chairperson and the persons designated by the chairperson for each meeting as classified in the following, but at least one half of the civilian members shall be included therein:

1. The Customs Appeal Committee established in the Korea Customs Service: Ten persons;
2. The Customs Appeal Committee established in each Main Customs: Eight persons;
3. The Customs Appeal Committee established in each Front Line Customs: Six persons.

(3) When the chairperson of each Customs Appeal Committee has fixed the date pursuant to paragraph (1), he/she shall notify the members designated under paragraph (2) and the relevant applicant or the person who has filed an application thereof by no later than seven days before the fixed date.

(4) A meeting of each Customs Appeal Committee shall be held with the attendance of a majority of the constituent members and pass a resolution with the concurrent vote of a majority of those present.

(5) Deleted. <by Presidential Decree No. 28642, Feb. 13, 2018>

(6) Each chairperson shall report the matters decided upon at a meeting of each Customs Appeal Committee to the Commissioner of the Korea Customs Service.

(7) To deal with the administrative affairs of each Customs Appeal Committee, each Committee shall have one secretary, who shall be designated from among public officials belonging thereto.

#### **Article 148-2 (Exclusion and Refrainment of Members of Customs Appeal Committee)**

(1) Any member of a Customs Appeal Committee who falls under any of the following cases shall be excluded from the deliberation and resolution:

1. Where the member is a party to the relevant agenda (where a party to the relevant agenda is a corporation, organization, etc., including the executive officers thereof; hereafter the same shall apply in this paragraph) or a person directly interested in the relevant agenda;
2. Where the member's spouse, relative within the fourth degree of consanguinity, or relative within the second degree of affinity within the second degree is a party to the relevant agenda or has direct interest in the relevant agenda;
3. Where the member is a current representative or was the representative of a party to the relevant agenda within the recent five years;
4. Where the member belongs to or has belonged within the recent five years to a corporation, organization, etc. which is the current representative or was the representative of a party to the relevant agenda;
5. Where the member has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within the recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.;
6. Where the member currently belongs to or has belonged within the recent five years to a corporation, organization, etc. which has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within the recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.

(2) If a member of a Customs Appeal Committee falls under any subparagraph of paragraph (1), he/she shall voluntarily refrain from the deliberation and resolution on the relevant agenda.

#### **Article 149 (Allowances)**

Members other than public officials who attend meetings of the Customs Appeal Committee, may be paid allowances within budgetary limits.

#### **Article 149-2 (Small-Sum Claims)**

"Amount prescribed by Presidential Decree" in Article 126 (2) of the Act means 30 million won.

**Article 150 (Insignificant Matters)**

"Cases that fall under the causes prescribed by Presidential Decree" in the proviso to Article 127 (1) of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where a period for a request for examination expires;
2. Where the disposition subject to a request for examination is nonexistent;
3. Where a person, whose right or interest is not infringed on by the relevant disposition, files a request for examination;
4. Where a request for examination is filed on a disposition that is not deemed subject to such request for examination;
5. Where a necessary revision is not made within the revision period under Article 123 (1) of the Act;
6. Where the contents and dispute of a disposition subject to a request for examination and applicable statutes, etc. are identical to the matters determined after undergoing a deliberation at the Customs Appeal Committee;
7. Where it is deemed helpful to make a quick decision and to submit the case to the higher court for deliberation in the interest of remedy for violation of a private right.

**Article 151 (Notice of Decision, etc.)**

- (1) Where a decision is made or a notice on the method of appealing dissatisfaction is served under Article 128 or 129 of the Act, such notice shall be made by a person or a registered mail, and where such notice is made by a person, a receipt shall be collected.
- (2) Where it is impracticable to serve a notice on the decision, etc. in accordance with manners prescribed in paragraph (1) due to the impossibility of identifying the domicile or residence of a person who has filed a request for examination or other reasons, a summary thereof shall be published in the bulletin board of the relevant ruling agency and other appropriate place.
- (3) Where the publication is made under paragraph (2), the notice on the decision, etc. shall be deemed received after the expiration of ten days from the day on which such publication is made.

**Article 151-2 (Postponement, Suspension, Extension, etc. of Reinvestigation)**

@Articles 139-2 (2) through (5) and 140 shall apply mutatis mutandis where a reinvestigation is postponed or suspended, or the period of investigation is extended pursuant to the latter part of Article 128 (5) of the Act (including cases applicable mutatis mutandis in Articles 118 (6) and 132 (4) of the Act).

**Article 152 (Redemption in Cases of Wrong Notice of Method of Appealing Dissatisfaction)**

- (1) Where a notice on the method of appealing dissatisfaction under Article 129 of the Act is omitted or filed with a wrong agency for dissatisfaction, but if a dissatisfaction request is filed with the notified agency or with an agency that has taken the relevant disposition, such dissatisfaction request shall be deemed filed with a lawful agency.
- (2) Any agency that receives the request referred to in paragraph (1) shall promptly turn over such request to a lawful agency and serve a notice thereon on a requester.

### **Article 153 (Statement of Opinion)**

(1) Any person who intends to state his/her opinion under the provisions of Article 130 of the Act shall file a written application stating his/her domicile or residence, name and a summary of what he/she intends to state with the relevant ruling agency. <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

(2) The ruling agency shall, upon receiving the application referred to in paragraph (1), serve on an applicant for a request for examination, a notice stating the day, time and place of his/her attendance, and the time for stating his/her opinion, three days prior to a scheduled meeting of the Customs Appeal Committee, except in the case falling under each of the following subparagraphs and the case where the statement of opinion by the applicant for request for examination is deemed unnecessary:

1. Where the matters subject to the request for examination are insignificant;
2. Where the matters subject to the request for examination are concerned only with the interpretation of statutes.

(3) The ruling agency shall, upon receiving the application referred to in paragraph (1), if deemed unnecessary for the applicant for the request for examination to state his/her opinion, serve a notice thereon, citing reasons therefor in a document, on the relevant applicant.

(4) The submission of a document stating opinions intended to be stated may substitute for the statement of opinion under Article 130 of the Act.

**Article 153-2 Deleted.** <by Presidential Decree No. 23602, Feb. 2, 2012>

### **Article 154 (Provisions to be Applied Mutatis Mutandis)**

The provisions of Articles 145, 146, and 150 through 153 shall apply mutatis mutandis to filing of objections.

### **Article 155 (Designation of Open Ports)**

(1) The open ports (hereinafter referred to as "open ports") prescribed in Article 133 of the Act shall be as specified in the following table: <Amended by Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 23827, Jun. 5, 2012; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 28864, May 8, 2018>

(2) The boundary of an open port shall be the water zone specified in attached Table 1 of the Enforcement Decree of the Harbor Act or the boundary prescribed in the Airport Facilities Act. <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 26473, Aug. 3, 2015; Presidential Decree No. 26957, Feb. 5, 2016; Presidential Decree No. 27972, Mar. 29, 2017>

### **Article 155-2 (Requirements for Designation of Open Ports)**

(1) Requirements for the designation of any open port provided for in Article 133 (2) of the Act shall be as follows: <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 26473, Aug. 3, 2015; Presidential Decree No. 27972, Mar. 29, 2017; Presidential Decree No. 29530, Feb. 12, 2019>

1. The open port is required to be made always accessible to foreign trade vessels (airliners) under the Act on the Arrival, Departure, etc. of Ships into and from Ports or the Airport Facilities Act;



2. Human resources, facilities and equipment are required to be secured, which are needed by administrative agencies in charge of controlling exclusive passageways for international vessels and airliners, which are separate from those for domestic vessels and airliners and also controlling the immigration of passengers;

3. The open port is required to meet the criteria concerning the number of passengers or the quantity of cargoes, etc. of an airport or a port, which are classified as follows:

(a) In cases of an airport: It shall meet either of the following requirements:

(b) In cases of a port, foreign trading vessels with a tonnage of at least 5,000 tons shall sail into, or are expected to sail into, the relevant port at least 50 times a year.

(2) Where any open port is deemed to considerably affect the performance of services by failing to meet the requirements for designation prescribed in paragraph (1), the Commissioner of the Korea Customs Service or the head of the relevant administrative agency shall report such fact to the Minister of Strategy and Finance. In such cases, the Minister of Strategy and Finance may conduct an on-site inspection of the open port with the Commissioner of the Korea Customs Service or the head of the managing authority of the facilities of the open port. *<Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>*

(3) Where facilities, etc. need to be improved as a result of reviewing a report or on-site inspection referred to in paragraph (2), the Minister of Strategy and Finance may order the operator of the relevant open port to formulate improvement plans and improve facilities, etc.; and may request such operator to report the result of such order implemented. *<Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>*

#### **Article 156 (Permission of Access to Unopen Ports)**

(1) Any person who intends to obtain permission for entering into and departing from an area that is not an open port under the proviso to Article 134 (1) of the Act shall file an application stating the following matters with the head of the relevant customs office having jurisdiction over the area: Provided, That such application may be filed with the head of the relevant customs office if it is required to secure conveniences for the navigation of any foreign trade vessel or any foreign trade aircraft and other special circumstances exist:

1. The type, name, registration mark, nationality, and gross tonnage and net tonnage or weight of vessel or aircraft;
2. The name of the area;
3. The period of mooring in the unopen port;
4. The classification of goods intended to be loaded or unloaded in the area into domestic and foreign goods, the kind, notation, number of packages and the number, name, quantity and price of the goods;
5. The reasons for entering into and departing from the area.

(2) The head of the relevant customs office, who grants permission for access to such area in accordance with the proviso to paragraph (1), shall make a notice thereon to the head of the relevant customs office having jurisdiction over the area.

## **Article 157 (Matters Entered in Port Entry Report)**

(1) The following matters shall be entered in the port entry report of any vessel under Article 135 of the Act:

1. The type, registration mark, name, nationality, port of registry, gross tonnage, and net tonnage of the vessel;
2. The port of departure, ports of call, port of final destination, estimated date and time of port entry, and port of next destination of the vessel;
3. The number and tonnage of laden goods, and the number of passengers, crew and transit passengers.

(2) The following matters shall be entered in the list of supplies of any vessel referred to in Article 135 of the Act:

1. The type, registration mark, name, nationality, and date of port entry of the vessel;
2. The names, quantity and prices of vessel supplies.

(3) The following matters shall be entered in the list of passengers of any vessel described in Article 135 of the Act: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*

1. The type, registration mark, name, nationality, and date of port entry of the vessel;
2. The nationalities, names, dates of birth, passport numbers, port of embarkation, and port of disembarkation of passengers.

(4) The following matters shall be entered in the list of crew of any vessel as prescribed in Article 135 of the Act:

1. The type, registration mark, name, nationality, and date of port entry of the vessel;
2. The nationalities, names, crew's book numbers or passport numbers, port of embarkation, and port of disembarkation of crew.

(5) The following matters shall be entered in the list of personal effects of crew as prescribed in Article 135 of the Act:

1. The type, registration mark, name, nationality, and date of port entry of the vessel;
2. The nationalities, names, and crew's book numbers or passport numbers of crew;
3. The names, quantity and prices of personal effects.

(6) The following matters shall be entered in the cargo manifest under Article 135 (1) of the Act: *<Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002>*

1. The name of ship and the quantity of cargoes laden therewith;
2. The names of cargoes, and consignees and shippers thereof;
3. Other information pertaining to the ship's log and cargoes, which is deemed necessary by the Commissioner of the Korea Customs Service.

(7) The following matters shall be entered in the port entry report of aircraft under Article 135 of the Act:

1. The type, registration mark, name, nationality, airport of disembarkation, and date and time of airport entry;

2. The place where goods are loaded, number and tonnage of cargoes;
3. The number of passengers, crew and transit passengers.

(8) The provisions of paragraphs (2) through (6) shall apply mutatis mutandis to the list of aircraft supplies, the list of passengers, the list of crew, the list of personal effects of the crew and the cargo manifest provided for in Article 135 of the Act. <Amended by Presidential Decree No. 17833, Dec. 30, 2002>

#### **Article 157-2 (Cargo Transportation Brokers Eligible to Submit Cargo Manifests)**

"Cargo transportation broker that meets the requirements prescribed by Presidential Decree" in the proviso to Article 135 (2) of the Act, means any of the following persons:

1. An enterprise certified as an authorized economic operator under Article 255-2 of the Act;
2. A person who has shown good performance in the measurement and evaluation of degree of law compliance conducted under Article 259-4 (1);
3. A person who has the record of brokering the transportation of cargos prescribed by Ordinance of the Ministry of Strategy and Finance.

#### **Article 158 (Application for Departure Permit)**

(1) Any vessel shall, when it is intended to depart from an open port under Article 136 (1) of the Act, file an application stating the following matters with the head of the relevant customs office:

1. The type, registration mark, name, nationality, gross tonnage and net tonnage of the vessel;
2. The number of passengers, crew and transit passengers;
3. The number and tonnage of laden goods;
4. The place of loading goods, port of destination, and date and time of departure.

(2) Any aircraft shall, when it is intended to depart from an open port under Article 136 (1) of the Act, file an application stating the following matters with the head of the relevant customs office:

1. The type, registration mark, name and nationality;
2. The number of passengers, crew and transit passengers;
3. The number and tonnage of laden goods;
4. The place of loading goods, the airport of destination and the date and time of departure.

(3) The list of goods under Article 136 (2) of the Act shall be prescribed by the Commissioner of the Korea Customs Service.

#### **Article 158-2 (Access to Passenger Reservation Data)**

(1) The head of the relevant customs office shall grant a personal identification number to his/her customs officers (referring to persons designated pursuant to Article 137-2 (3) of the Act; hereafter the same shall apply in this Article) who are authorized to access to passenger reservation data (hereafter referred to as "passenger reservation data" in this Article) that are furnished pursuant to Article 137-2 (1) of the Act as prescribed by the Commissioner of the Korea Customs Service in order to prevent anyone not authorized to peruse the data from perusing the passenger reservation data.

(2) When one month elapses from the date on which passengers embark or disembark their airliners or ships (hereafter referred to as "embarkation and disembarkation date" in this Article), the head of the

relevant customs office shall manage the passenger reservation data separately from other passenger reservation data (referring to the passenger reservation data for which one month has yet to elapse from the date on which the passengers embark or disembark their airliners or ships).

(3) The head of the relevant customs office may keep the passenger reservation data separately managed pursuant to paragraph (2) (hereafter referred to as "preservative passenger reservation data" in this Article) for three years from the date on which the passengers embark or disembark their airliners or ships: Provided, That the head of the relevant customs office may keep the preservative passenger reservation data for the following persons for five years: <Amended by Presidential Decree No. 23845, Jun. 7, 2012; Presidential Decree No. 26858, Jan. 6, 2016>

1. A person who is subject to the notification disposition taken by the Commissioner of the Korea Customs Service or the head of the relevant customs office or who is sentenced to a fine or a heavier punishment since he/she has imported or exported goods on which an embargo is imposed in violation of Article 234 of the Act, or has tried to import or export such goods;

2. A person who is subject to the notification disposition taken by the Commissioner of the Korea Customs Service or the head of the relevant customs office or who is sentenced to a fine or a heavier punishment since he/she has violated Article 241 (1) and (2) of the Act, or has tried to export, import or return any of the following goods in violation of Article 241 (1) and (2) of the Act:

(a) Narcotics provided for in the Narcotics Control Act;

(b) Firearms, swords, explosives, electroshock weapons and crossbows provided for in the Act on the Safety Management of Guns, Swords, Explosives, Etc.

3. A person who is deemed likely to perform any of the following activities and meets the standards set by the Commissioner of the Korea Customs Service based on information, etc. furnished by any investigative agency, etc. or on information, etc. obtained by the head of the relevant customs office:

(a) Exporting and importing goods on which an embargo is imposed, in violation of Article 234 of the Act;

(b) Exporting, importing or returning any of the following goods, in violation of Article 241 (1) or (2) of the Act:

(4) When any customs officer intends to peruse the preservative passenger reservation data, he/she shall obtain prior approval therefor from the head of the relevant customs office, as prescribed by the Commissioner of the Korea Customs Service.

#### **Article 159 (Report on Act Performed Due to Calamity, etc.)**

The full report as prescribed in Article 138 (4) of the Act shall be a report stating the following matters:

1. Contents of the calamity, etc., the date and time of its occurrence and the date and time of its termination;
2. The act performed due to the calamity, etc.;
3. The matters of Article 166 (1) 2 and 3.

### **Article 160 (Report on Entry into Foreign Open Port)**

(1) The report as prescribed in Article 139 of the Act shall be a report stating the following matters:

1. The type, name, registration mark, nationality, gross tonnage, and net tonnage or weight of vessel and aircraft;
2. The name of the open port which any vessel or aircraft enters into;
3. The period of mooring or stopover in the open port;
4. The reason for mooring or stopover in the open port;
5. Any goods loaded in the open port.

(2) The provisions of Article 158 (3) shall apply mutatis mutandis to the list of goods as prescribed in Article 139 of the Act.

### **Article 161 (Application for Permit of Loading and Unloading Goods)**

(1) Any person who intends to obtain permission for loading, unloading or transshipping goods under the proviso to Article 140 (1) of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The type, name, nationality and the date of port entry;
2. The classification of the relevant goods by domestic and foreign goods, names, quantity and prices of such goods;
3. The kind, notation, identification number and number of packages;
4. The reason for the application.

(2) Any person who intends to load, unload or transship goods under Article 140 (4) of the Act shall file a declaration stating the following matters with the head of the relevant customs office and produce a declaration completion certificate to customs officers on the spot: Provided, That in cases of export goods, the submission of a list of such goods may be substituted for such declaration as prescribed by the Commissioner of the Korea Customs Service; and in cases of aircraft, a verbal declaration to the customs officer on the spot may be substituted for such declaration: <Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 29530, Feb. 12, 2019>

1. The name of vessel or aircraft;
2. The names, number and weight of goods;
3. The number of passengers;
4. The agency of vessel or aircraft;
5. The work classification and the scheduled work period.

(3) The loading and unloading passage under Article 140 (5) of the Act shall be designated and published by the head of the relevant customs office. <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

(4) Any person who intends to obtain permission under the proviso to Article 140 (6) of the Act shall file an application stating the following matters with the head of the relevant customs office: <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

1. The classification of the relevant goods by domestic and foreign goods, names and quantity of such goods;
2. The kind and number of packages;
3. The name of laden vessel or laden aircraft and the loading and unloading period;
4. The address and name of the owner of goods;
5. The reason for the application.

(5) When permission is granted or an application is filed in connection with any of the following cases, the head of the relevant customs office may allow domestic goods to be loaded into any foreign trade vessel or any foreign trade aircraft, or foreign goods to be loaded into any domestic vessel or any domestic aircraft:

1. Where permission is obtained for loading and unloading goods under Article 143 of the Act;
2. Where a report is filed or approval is obtained for the bonded transportation under Article 213 of the Act;
3. Where a report is filed for the domestic transportation under Article 221 of the Act;
4. Where an export declaration is accepted under Article 248 of the Act.

#### **Article 162 (Declaration for Temporal Landing of Foreign Goods)**

(1) Any person who intends to temporarily land foreign goods under subparagraph 1 of Article 141 of the Act shall file a report stating the following matters with the head of the relevant customs office and produce a report completion certificate to customs officers on the spot:

1. The type, name and nationality of vessel or aircraft;
2. The date of entry into open port;
3. The date and time, and period for which it is intended to land foreign goods;
4. The name, quantity and price of goods intended to be landed, and the kind, notation, identification number and number of packages;
5. The final destination of goods intended to be landed;
6. The place where the landed goods are intended to be stored.

(2) The scope of the place where the landed foreign goods are stored shall be determined by the Commissioner of the Korea Customs Service.

#### **Article 163 (Reporting on Boarding Vessel or Aircraft)**

Any person who intends to board a vessel or aircraft under subparagraph 2 of Article 141 of the Act shall file a report stating the following matters with the head of the relevant customs office and produce a report completion certificate to customs officers on the spot:

1. Name of vessel or aircraft;
2. Names, nationalities and dates of birth of persons to board vessel or aircraft;
3. Reasons for boarding vessel or aircraft and the period therefor.

#### **Article 164 (Reporting on Transshipment and Transfer)**

Any person who intends to transship or multiply transship goods, or transfer persons under subparagraph 3 of Article 141 of the Act shall file a report, stating the following matters with the head of the relevant

customs office and produce a report completion certificate to customs officers on the spot: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. The type, name and nationality of each transportation means;
2. The classification of goods to be transshipped by domestic and foreign goods;
3. The name, quantity and price of the goods to be transshipped, and the kind and notation, identification number and number of packages;
4. The names, nationalities, dates of birth, the place of embarkation and the place of disembarkation;
5. Reasons for filing such report.

**Article 165 (Application for Permission of Loading and Unloading Goods Outside Open Port)**

Any person who intends to obtain permission for loading and unloading or transshipping goods outside an open port under Article 142 (1) of the Act shall file an application stating the matters falling under each of the following subparagraphs with the head of the relevant customs office:

1. The place where and date and time that goods are intended to be loaded, unloaded or transshipped outside an open port;
2. The type, name, nationality, gross tonnage and net tonnage;
3. The classification of the relevant goods by domestic and foreign goods, name, number and price of the relevant goods;
4. The kind, notation, identification number, number of packages of the relevant goods;
5. Reasons for application.

**Article 166 (Loading, Unloading and Transshipping of Vessel or Aircraft Supplies, etc.)**

(1) Any person who intends to obtain permission for loading, unloading and transshipping goods onto or from any foreign trade vessel or any foreign trade aircraft under Article 143 (1) of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The type, registration mark, name, nationality and the number of passengers and crew of vessel or aircraft;
2. The classification of the relevant goods by domestic and foreign goods, the name, standard, quantity and price of the relevant goods;
3. The kind, notation, identification number and number of packages of the relevant goods;
4. The scheduled place, date and time and method involving the loading, unloading and transshipping of the relevant goods.

(2) In cases of the goods referred to in paragraph (1), if such goods are foreign goods falling under Article 143 (2) of the Act, the application shall include the following matters in addition to the matters of each subparagraph of paragraph (1) and be appended by the invoice thereof and a document necessary to determine a customs value thereon:

1. The number of the bill of lading or airway bill of the relevant goods;
2. The place (in cases of a bonded area, the name thereof) where the relevant goods are stored and the date and time that such goods are shipped into the place.

(3) When deemed necessary to grant the permission referred to in paragraph (1), the head of the relevant customs office may have his/her customs officers inspect the relevant goods.

(4) When any person who has obtained permission under Article 143 (1) of the Act intends to modify permitted matters, he/she shall file an application stating the matters he/she intends to modify and reasons for such modification, with the head of the relevant customs office.

(5) When any person who has obtained permission in accordance with paragraph (1) completes the loading, unloading or transshipping goods according to contents of the permission, he/she shall record such fact and the date of loading and unloading or transshipping of the relevant goods in a written permission; and shall keep such written permission after the captain of the relevant vessel or aircraft signs the written permission. In such cases, when deemed necessary, the head of the relevant customs office may request the relevant goods to be verified by his/her customs officers, and the relevant person to submit the written permission signed by the captain of the relevant vessel or aircraft verifying the fact of loading.

(6) When any person who has obtained permission pursuant to paragraph (1) fails to load the permitted goods within the period described in Article 143 (6) 1 of the Act and ships such goods back into the bonded area, he/she shall record such fact and the date of shipment in the relevant permission, without delay; and shall submit such written permission signed by any customs officer who verifies the shipment of the relevant goods back into the bonded area, to the head of the relevant customs office who has granted such permission. <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

(7) When the relevant goods are destroyed or lost due to a disaster or other extenuating grounds prescribed in Article 143 (6) 2 of the Act, a person who has obtained permission in accordance with paragraph (1) shall submit a written report stating the matters of paragraph (1) 2, the place, date and time of destruction and loss and reasons therefor, appended by the written permission, with the head of the relevant customs office who has granted such permission. <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

(8) Any person who intends to obtain approval under Article 143 (6) 3 of the Act shall file an application stating the following matters concerning the goods he/she intends to dispose of, with the head of the relevant customs office who has granted such permission: <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

1. The matters prescribed in paragraph (1) 2;
2. The place where the relevant goods are located;
3. The scheduled date and time of disposal, the method of disposal and reasons for disposal.

#### **Article 167 (Conversion of Vessel or Aircraft)**

(1) Any person who intends to obtain approval as prescribed in Article 144 of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The name, type, registration mark, nationality, gross tonnage and net tonnage, weight and the port of registry of vessel or aircraft;



2. The domicile and name of the owner of vessel or aircraft;
  3. Whether such vessel or aircraft falls under a domestic vessel or a domestic aircraft, or a foreign trade vessel or a foreign trade aircraft;
  4. Contents of the intended conversion and reasons for conversion.
- (2) The head of the relevant customs office may, upon receiving an application filed under paragraph (1), inspect the goods loaded in the relevant vessel or aircraft.

#### **Article 168 (Special Vessel)**

"Vessel or aircraft prescribed by Presidential Decree" in the proviso to Article 146 of the Act means any of the following: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. A warship or military aircraft;
2. A vessel or an aircraft used exclusively by the head of a State or any diplomatic mission representing the Government.

#### **Article 168-2 (Management of Aircraft Navigating Domestically for Transfer Only)**

The head of a customs office may simplify procedures or take other necessary measures for any of the following matters, as prescribed by the Commissioner of the Korea Customs Service, pursuant to Article 146 (2) of the Act:

1. A port entry report prescribed in Article 135 (1) of the Act;
2. Application for departure permission under Article 136 (1) of the Act;
3. Other matters necessary for customs clearance and surveillance of the tourists coming from and going to foreign countries on board an aircraft navigating domestically for transfer only and the goods prescribed in Article 241 (2) 1 of the Act.

#### **Article 169 (Reporting on Arrival of Border-Crossing Vehicle)**

(1) An arrival report under Article 149 (1) of the Act shall state the following matters:

1. The name of the company, nationality, type, registration mark, number, the number of total cargo cars and the number of total passenger cars of the vehicle;
2. The first place of departure, the place of transit, the final place of departure, the date and time of arrival, the scheduled date of departure and the place of destination of the vehicle;
3. Contents, number and weight of loaded goods;
4. The number of passengers and crew as well as transit passengers.

(2) The provisions of Article 157 (2) through (5) shall apply mutatis mutandis to the list of vehicle supplies, the list of passengers, the list of crew and the list of crew' personal effects under Article 149 (1) of the Act.

(3) "Goods prescribed by Presidential Decree" in the main sentence of Article 149 (3) of the Act means anything falling under any one of the following subparagraphs: <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

1. Aggregates, such as sand and gravel;

2. Minerals, such as coal and graphite.

#### **Article 170 (Reporting on Departure of Vehicle Running across National Border)**

(1) A departure report under Article 150 (1) of the Act shall state the following matters:

1. The name of the company, type, registration mark, identification number, the number of total cargo cars, and the number of total passenger cars of the vehicle;
2. The place of departure, the place of transit, the place of destination, the date and time of departure, and the date and time of arrival of the vehicle;
3. Contents, number and weight of laden goods;
4. The number of passengers and crew as well as transit passengers.

(2) The list of goods under Article 150 (2) of the Act shall be submitted to the head of the relevant customs office as prescribed by the Commissioner of the Korea Customs Service.

(3) "Goods prescribed by Presidential Decree" in the main sentence of Article 150 (3) of the Act means anything falling under any one of the following subparagraphs: <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

1. Aggregates, such as sand and gravel;
2. Minerals, such as coal and graphite.

#### **Article 171 (Reporting on Loading and Unloading of Goods)**

Any person who intends to load or unload goods under Article 151 (1) of the Act shall file a report stating the following matters with the head of the relevant customs office and produce a report completion certificate to customs officials on the spot:

1. The number of vehicle;
2. The name, number and weight of goods;
3. The classification of work and a scheduled work period.

#### **Article 172 (Loading, Unloading, or Transshipping Vehicle Supplies)**

The provisions of Article 166 shall apply mutatis mutandis to vehicle supplies and goods sold in any vehicle running across the national border under Article 151 (2) of the Act.

#### **Article 173 (Application for Delivery of Certificate with Respect to Road Vehicles)**

Any person who intends to have a document certifying a road vehicle which may cross the border under Article 152 (1) of the Act shall file a written application stating the following matters with the head of the relevant customs office:

1. Type of vehicle and vehicle registration number;
2. Loadage or the number of passengers aboard;
3. Purposes, periods, and routes of operation.

#### **Article 174 (Restrictions on Goods Stored in Bonded Area, etc.)**

(1) Any inflammable or explosive goods shall not be stored in any bonded area (hereinafter referred to as "bonded area") as prescribed in Article 154 of the Act.

(2) Any goods which are feared to be decomposed, living animals or plants shall not be stored in any bonded area.

(3) The provisions of paragraphs (1) and (2) shall not apply to any bonded area complete with special facilities and equipment installed to store such goods.

#### **Article 175 (Application for Permission for Storage of Goods outside Bonded Areas)**

Each person, who intends to obtain permission under Article 156 (1) of the Act, shall file an application stating the following matters with respect to the relevant goods with the head of the relevant customs office, appended by the invoice, the bill of lading and the airway bill or other documents substituted for such documents: *<Amended by Presidential Decree No. 26089, Feb. 6, 2015>*

1. The place where the relevant goods are stored and reasons for storing such goods;
2. In cases of imported goods, the name, registration mark, and the scheduled date of entry of the vessel or aircraft which transports the relevant goods into Korea from a foreign country, the number of bill of lading, and the number of airway bill;
3. The classification of the relevant goods by domestic and foreign goods, the name, standard, quantity and price of such goods;
4. The type, identification number, and number of packages of the relevant goods.

#### **Article 176 (Reporting on Shipment of Goods into or out of Bonded Area)**

(1) A report on the shipment of goods into a bonded area under Article 157 (1) of the Act shall be filed in writing stating the following matters: *<Amended by Presidential Decree No. 29530, Feb. 12, 2019>*

1. In cases of foreign goods (excluding goods on which export declaration has been accepted):
  - (a) The name, the date of port entry, the port customs office, and the loading port of vessel or aircraft which transports the relevant goods into Korea from a foreign nation;
  - (b) The date on which the relevant goods are shipped into a bonded area, the number of the bill of lading, or the number of the airway bill and the number of cargo management;
  - (c) The name of goods, the kind of packages, the number of goods shipped into a bonded area, and the location where such goods are stored;
2. In cases of domestic goods (including goods on which an export declaration is accepted):
  - (a) The date on which goods are shipped into a bonded area;
  - (b) The name of goods, the kind of packages, the number of goods shipped into a bonded area, the location where the goods are stored, and the period during which such goods are stored.

(2) A report on the outbound shipment of goods, on which a report has been filed on their inbound shipment into a bonded area under paragraph (1), shall be by an application stating the following matters:

1. The report number, date, types of, and basis number for outbound shipment;
2. Freight serial number;
3. The quantities and weight of outbound shipment.

(3) In any of the following subparagraphs, the head of the relevant customs office may allow the submission of the report required by paragraphs (1) and (2) to be exempted or allow the omission of part

of the matters to be recorded: <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

1. Where goods are shipped into or out of a bonded area after submitting the document falling under each of the following items:

- (a) The cargo manifest;
- (b) The copy of the report on the bonded transportation or an export declaration completion certificate;
- (c) The report on the storage of domestic goods under Article 197 (1);

2. Where a person who has gotten his/her self-managed bonded area designated under Article 164 of the Act keeps the book on the goods of paragraph (1) 2 (excluding goods on which import declaration has been accepted) and records and controls the matters relating to the shipment of goods into or out of his/her self-managed bonded area.

(4) In monitoring the shipment of goods into or out of a bonded area under Article 157 (2) of the Act, the head of the relevant customs office may require the submission of documents, including the report on the shipment of goods into a bonded area and the invoice, necessary to monitor such shipment.

#### **Article 176-2 (Application Filed for Extending Period of Shipping Goods out of Bonded Area)**

Any person who intends to obtain the approval provided for in the proviso of Article 157-2 of the Act shall file an application stating the matters falling under each of the following subparagraphs with the head of the relevant customs office:

1. Matters provided for in subparagraph 2 of Article 175;
2. The place of storage;
3. The grounds of filing such application.

#### **Article 177 (Application for Approving Maintenance or Supplementary Work)**

(1) Each person, who intends to obtain approval pursuant to Article 158 (2) of the Act, shall file an application stating the following matters with the head of the relevant customs office: <Amended by Presidential Decree No. 26089, Feb. 6, 2015>

1. Matters falling under each subparagraph of Article 175;
2. The name, standard, quantity and price of materials to be used;
3. The objectives, methods, and scheduled period of the maintenance and supplementary work;
4. The place where goods are stored;
5. Other reference matters.

(2) If any person who has obtained approval pursuant to Article 158 (2) of the Act completes the maintenance and supplementary work, he/she shall file a report stating the following matters with the head of the relevant customs office and obtain a confirmation thereof from him/her: <Amended by Presidential Decree No. 26089, Feb. 6, 2015>

1. The name, standard, quantity and price of the relevant goods;
2. The type, notation, identification number, and number of packages;

3. The name, standard, quantity, and price of materials used;
4. The name, standard, quantity and price of remainders;
5. The date of work completion.

#### **Article 178 (Dismantling and Cutting Work, etc.)**

(1) Any person who intends to obtain approval for the work of dismantling and cutting goods under Article 159 (2) of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The name, standard, quantity, and price of the relevant goods;
2. The objective, method, and scheduled period of the work;
3. Other reference matters.

(2) When the work of paragraph (1) is completed, a report stating the following matters shall be filed with and confirmed by the head of the relevant customs office:

1. The name, standard, quantity, and price of goods after the work;
2. The date on which the work commences and is completed;
3. A certificate issued by an inspection institution with respect to the progress of the work (limited to any case specially designated by the head of the relevant customs office);
4. Other reference materials.

#### **Article 179 (Application for Approving Disposal of Stored Goods)**

(1) Any person who intends to obtain approval under Article 160 of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The matters of each subparagraph of Article 175;
2. The place where goods are stored;
3. The scheduled date on which the goods are disposed of, the method of disposing of such goods, and reasons for disposing of such goods.

(2) Any person who obtains the approval referred to in paragraph (2) shall report the name, standard, quantity and price of remainders when the disposal work is completed to the head of the relevant customs office.

#### **Article 180 (Reporting on Stored Goods Destroyed or Lost)**

(1) When foreign goods stored in a bonded area or other area than a bonded area under the proviso to Article 155 (1) of the Act are destroyed or lost, a report stating the following matters shall be filed with and confirmed by the head of the relevant customs office:

1. The matters of each subparagraph of Article 175;
2. The place where the goods are stored;
3. The date on which the goods are destroyed or lost and reasons therefor.

(2) The report referred to in paragraph (1), in cases of the goods stored in a licensed bonded area, shall be filed in the name of the operator thereof and in cases of the goods stored in a non-licensed bonded area, in the name of the custodian thereof.

### **Article 181 (Reporting on Stolen or Lost Goods)**

(1) When any goods stored in a bonded area or in a non-bonded area under the proviso to Article 155 (1) of the Act are stolen or lost, a report stating the following matters shall be filed with the head of the relevant customs office:

1. The matters of each subparagraph of Article 175;
2. The place where the goods in question are stored;
3. The date on which the goods are stolen or lost and reasons therefor.

(2) The provisions of Article 180 (2) shall apply mutatis mutandis to the report referred to in paragraph (1).

### **Article 182 (Reporting on Goods in Abnormality)**

(1) When the goods stored in a bonded area or in a non-bonded area under the proviso to Article 155 (1) of the Act are in abnormality, a report stating the following matters shall be filed with the head of the relevant customs office: *<Amended by Presidential Decree No. 17467, Dec. 31, 2001>*

1. The matters of each subparagraph of Article 175;
2. The place where the goods are stored;
3. The date on which their abnormality is found;
4. Reasons for the abnormality and the state of such abnormality.

(2) Article 180 (2) shall apply mutatis mutandis to reports filed under paragraph (1).

### **Article 183 (Application for Permission to Ship Goods out of Bonded Area as Samples)**

Any person who intends to obtain permission under Article 161 (1) of the Act shall file an application stating the following with the head of the relevant customs office:

1. Matters referred to in the subparagraphs of Article 175;
2. The place where the goods are stored;
3. The objective of shipping the goods out of a bonded area and the shipment period.

### **Article 184 (Designation, etc. of Self-Managed Bonded Area)**

(1) Any person who intends to have his/her bonded area designated as a self-managed bonded area under Article 164 (2) of the Act shall file an application stating the following, accompanied by the registration certificate of a bonded goods caretaker referred to in Article 164 (3) of the Act (hereinafter referred to as "bonded goods caretaker") employed by him/her and documents prescribed by the Commissioner of the Korea Customs Service, with the head of the relevant customs office for designation: *<Amended by Presidential Decree No. 28642, Feb. 13, 2018>*

1. The kind, name, location, structure, the number of buildings, and size of the bonded area;
2. The kind of goods stored therein and the storage capacity of the bonded area.

(2) "Where a person--- *<Omitted>*---fails to fulfill his/her obligations prescribed in this Act or where any cause prescribed by Presidential Decree such as a cause deemed an impediment to customs monitoring occurs" in Article 164 (6) of the Act means any of the following cases: *<Newly Inserted by Presidential Decree No. 28642, Feb. 13, 2018>*

1. Cases falling under any subparagraph of Article 178 (1) of the Act;
  2. Where the operator of a self-managed bonded area requires a person who is not a bonded goods caretaker to perform the duties of a bonded goods caretaker;
  3. Any other case deemed an impediment to customs monitoring, which falls under any ground determined and publicly notified by the Commissioner of the Korea Customs Service.
- (3) Matters necessary for the operation of self-managed bonded areas shall be determined by the Commissioner of the Korea Customs Service.

#### **Article 185 (Duties of Bonded Goods Caretakers)**

(1) The duties of bonded goods caretakers shall be as follows: *<Amended by Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 26957, Feb. 5, 2016; Presidential Decree No. 28642, Feb. 13, 2018>*

1. To monitor and confirm bonded cargos or domestic goods shipped into or out of a bonded area;
2. To monitor and confirm the management and handling of goods stored in a bonded area;
3. To open and close the gateway of a bonded area and to supervise the management of keys;
4. To supervise the control of persons having access to a bonded area;
5. To ship samples out of a bonded area and to collect them back into the bonded area;
6. To perform duties prescribed by the Commissioner of the Korea Customs Service, which are necessary to manage the bonded goods.

(2) Any person who intends to be registered as a bonded goods caretaker under Article 165 (2) of the Act, shall file an application for registration with the head of the relevant customs office. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*

(3) Where the head of the relevant customs office find that an applicant referred to in paragraph (2) meets the requirements prescribed in Article 165 (1) of the Act, he/she shall issue a registration certificate of bonded goods caretaker to the applicant.

(4) Each bonded goods caretaker shall undergo education necessary for carrying out his/her duties, as prescribed by the Commissioner of the Korea Customs Service.

(5) The subjects of an examination on the management of bonded goods under Article 165 (1) 2 of the Act shall be as follows; and the successful candidates for the relevant examination shall be those who score at least 40 points for each subject and an average of 60 points for all subjects based on a perfect score of 100 points for each subject: *<Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>*

1. Procedures for import and export customs clearance;
2. Management of bonded areas;
3. Management of cargos;
4. Management of import and export safety and security;
5. Self-management and penalty provisions concerning customs duties.

(6) Where the Commissioner of the Korea Customs Service conducts a test in the management of bonded goods under Article 165 (1) 2 of the Act, he/she shall publicly announce the date and time, place and method of the test, and other necessary matters by at least 90 days before the test date. *<Newly Inserted by*

**Article 185-2 (Request for Resolution to Take Disciplinary Actions on Bonded Goods Caretakers)**

Where a bonded goods caretaker falls under Article 165 (4) 3 of the Act, the head of a customs office shall, without delay, request the disciplinary committee for bonded goods caretakers established under Article 165-3 of the Act (hereinafter referred to as "disciplinary committee for bonded goods caretakers") to adopt a resolution to take an disciplinary action against the bonded goods caretaker.

**Article 185-3 (Composition of Disciplinary Committee for Bonded Goods Caretakers)**

(1) Pursuant to Article 165-3 of the Act, there shall be established a disciplinary committee for bonded goods caretakers in each customs office to deliberate and adopt resolutions on matters concerning disciplinary actions against bonded goods caretakers.

(2) Each disciplinary committee for bonded goods caretakers shall be comprised of members of not less than five but not more than ten persons, including one chairperson.

(3) The head of the relevant customs office or a person designated by the head of the customs office as a public official of Grade IV or higher belonging to the relevant customs office shall be the chairperson of the disciplinary committee for bonded goods caretakers: and the members thereof shall be appointed or commissioned by the head of the relevant customs office from among the following persons:

1. Customs officers belonging to the relevant customs office;
2. Executive officers of corporations designated and publicly notified by the Commissioner of the Korea Customs Service pursuant to Article 288 (7);
3. Experts in customs duties or logistics, recommended by the representatives of the corporations referred to in subparagraph 2.

(4) The term of office of members falling under paragraph (3) 2 and 3 shall be two years, and may be renewed only once: Provided, That a member appointed to fill a vacancy occurring before the expiration of the term for which his/her predecessor was appointed, shall serve for the remainder of such term.

(5) Where any member of a disciplinary committee for bonded goods caretakers falls under any of the following cases, the head of the relevant customs office may remove or dismiss such member:

1. Where the member is unable to perform duties due to a mental or physical disorder;
2. Where the member has committed a misdeed with regard to duties;
3. Where the member is deemed unsuitable as a member due to neglecting duties, demeaning behavior, or on other reasons;
4. Where the member explicitly states in person that it is impractical for him/her to perform duties;
5. Where the member fails to abstain from participating in deliberation and resolution, in spite of falling under any subparagraph of paragraph (6).

(6) Any member of a disciplinary committee for bonded goods caretakers who falls under any of the following cases shall be excluded from deliberation and resolution by the disciplinary committee for bonded goods caretakers:



1. Where the member himself/herself is the bonded goods caretaker subject to a resolution on a disciplinary action;
2. Where the member is in monetary relations, such as claims and obligations, with the bonded goods caretaker subject to a resolution on a disciplinary action;
3. Where the member is or was a relative (referring to the spouse (including a person who is in a common law marriage) of the bonded goods caretaker subject to a resolution on a disciplinary action, or his/her blood relative within the sixth degree of consanguinity, or relative by marriage within the fourth degree of affinity; hereafter the same shall apply in this subparagraph);
4. Where the member is in a direct business relationship with the bonded goods caretaker subject to a resolution on a disciplinary action.

(7) If any member of a disciplinary committee for bonded goods caretakers falls under any subparagraph of paragraph (6), he/she shall abstain from the deliberation and resolution on the relevant agenda.

#### **Article 185-4 (Operation of Disciplinary Committee for Bonded Goods Caretakers)**

(1) The chairperson of a disciplinary committee for bonded goods caretakers shall represent the disciplinary committee for bonded goods caretakers and exercise the overall control of its affairs.

(2) A disciplinary committee for bonded goods caretakers shall adopt a resolution on a disciplinary action within 30 days from the date a request therefor is received pursuant to Article 185-2.

(3) The chairperson of a disciplinary committee for bonded goods caretakers shall convene and preside over meetings of the committee: Provided, That if the chairperson is unable to perform duties due to extenuating grounds, a member designated by the chairperson shall act on behalf thereof.

(4) Where the chairperson of a disciplinary committee for bonded goods caretakers intends to convene a meeting of the disciplinary committee for bonded goods caretakers, he/she shall notify each member and the relevant bonded goods caretaker of the convocation of the meeting in writing by at least seven days prior to the scheduled meeting date.

(5) At least two thirds of all incumbent members including the chairperson shall constitute a quorum for a meeting of a disciplinary committee for bonded goods caretakers; and any decision thereof shall require the concurring vote of at least a majority of those present.

(6) Where deemed necessary to examine a disciplinary case, a disciplinary committee for bonded goods caretakers may request the suspect to be disciplined or a related person to be present at its meetings, be interrogated on the details suspected, or to submit materials for examination.

(7) Members who are not public officials and attend a meeting of a disciplinary committee for bonded goods caretakers may be paid allowances within budgetary limits.

(8) Except as otherwise prescribed in paragraphs (1) through (7), detailed matters necessary for the operation of a disciplinary committee for bonded goods caretakers may be determined by the Commissioner of the Korea Customs Service.

#### **Article 185-5 (Notification and Execution of Resolutions on Disciplinary Actions)**

(1) Where a disciplinary committee for bonded goods caretakers adopts a resolution on a disciplinary action, it shall immediately notify such fact to the head of the competent customs office in a written resolution specifying the reason therefor.

(2) The head of a customs office in receipt of a notification under paragraph (1) shall take a disciplinary action against the relevant bonded goods caretaker, and notify such fact to the principal, and the corporation referred to in Article 185-3 (3) 2, appending a written resolution on a disciplinary action.

**Article 186 Deleted.** <by Presidential Decree No. 18333, Mar. 29, 2004>

**Article 187 (Designation of Cargo Manager)**

(1) A person who can be designated as a cargo manager under Article 172 (2) of the Act shall be any person who falls under any of the following subparagraphs:

1. The heads of State agencies, who are in charge of directly managing goods;
2. Nonprofit corporations involved in the customs administration or the management of bonded goods;
3. Any person whose designation is requested by the owner or manager of relevant facilities (limited to cases where a cargo manager is designated in accordance with the proviso to Article 172 (2) of the Act).

(2) The head of a customs office shall designate a cargo manager by the following classifications:

1. A person who falls under paragraph (1) 1: The head of a customs office shall designate a cargo manager where a person falls under paragraph (1) 1 accepts the request of the head of a customs office;
2. A person who falls under paragraph (1) 2 and 3: The head of a customs office shall designate a cargo manager after examining an application for designation from a person who falls under paragraph (1) 2 and 3. In such cases, a person who falls under paragraph (1) 2 and 3 shall submit such application through an owner or manager of the relevant facilities.

(3) When the head of a customs office shall designate a cargo manager pursuant to paragraph (2) 2, the head of a customs office shall reflect the result of evaluation of the following matters according to the standards for examination determined by the Commissioner of the Korea Customs Service:

1. Experience of handling the bonded cargoes and fulfillment of cargo management system;
2. Matters in relation to securing licensed managers of bonded goods;
3. Matters on financial soundness such as capital, ratio of liabilities and credit rating;
4. Other matters prescribed by Ordinance of the Ministry of Strategy and Finance.

(4) The period of validity of designation of a cargo manager shall be up to five years.

(5) Any person who intends to be re-designated as a cargo manager shall file an application for re-designation to the head of a customs office at least one month prior to the expiration of the period of validity under paragraph (4). In such cases, paragraphs (1) through (4) shall apply mutatis mutandis to standards and procedures for such re-designation. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

(6) The head of a customs office shall inform, in advance, each person who has obtained designation under paragraph (2) of the fact that he/she shall file an application for re-designation by no later than one month prior to the expiration of the first designation to obtain re-designation and procedures for re-designation by no later than two months prior to the expiration of the first designation by text messaging the same to

his/her mobile phone, or through e-mail, facsimile, telephone, or by a document, etc. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

(7) Detailed matters necessary for standards for examinations and procedures for designation or re-designation of cargo managers, etc. under paragraphs (2) through (6) shall be prescribed by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

#### **Article 187-2 (Revocation of Designation of Cargo Manager)**

(1) Where any reason falling under any of the following subparagraphs occurs, the head of a customs office may revoke the designation of a cargo manager. In such cases, when the head of a customs office revokes the designation of a person falling under paragraph (1) 3, he/she shall notify the owner or manager of the relevant facilities of such fact in advance:

1. Where a cargo manager is designated by false or other illegal means;
2. Where a cargo manager falls under any of subparagraphs of Article 175 of the Act;
3. Where a cargo manager violates a contract concerning cargo management business entered into with the head of a customs office or the owner or manager of the relevant facilities and causes material hindrance to maintenance of order at the relevant designated place where the goods are stored and safe management of cargoes;
4. Where a cargo manager requests revocation of designation of the relevant designation.

(2) Where the head of a customs office intends to revoke the designation of cargo manager under the provisions of paragraphs (1) 1 through 3, he/she shall hold a hearing.

#### **Article 187-3 (Cargo Manager's Responsibility to Keep Goods in Custody)**

Responsibility for keeping goods in custody referred to in the main sentence of Article 172 (2) of the Act means the responsibility of a custodian under Article 160 (2) of the Act and also the responsibility for loading and unloading, repackaging and policing with respect to the custody of the relevant goods.

#### **Article 188 (Application for License for Establishing and Operating Licensed Bonded Area)**

(1) Any person who intends to obtain a license under Article 174 (1) of the Act for establishing and operating a licensed bonded area under Article 154 of the Act (hereinafter referred to as "licensed bonded area") shall file an application stating the following matters, appended by documents prescribed by Ordinance of the Ministry of Strategy and Finance, with the head of the relevant customs office: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. The kind, name, location, structure, the number of buildings, area and storage capacity of the licensed bonded area;
2. The kinds of goods stored therein;
3. The period during which the licensed bonded area is established and operated.

(2) Notwithstanding paragraph (1), anyone who intends to obtain a license for building and operating a bonded factory in any licensed bonded area shall file an application stating the following matters, accompanied by his/her business plan and a drawing that shows the area and the adjacent area, with the head of the relevant customs office. In such cases, the head of the relevant customs office shall verify the

corporation register certificate through the administrative data sharing system provided in Article 36 (1) of the Electronic Government Act: <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19507, Jun. 12, 2006; Presidential Decree No. 22151, May 4, 2010; Presidential Decree No. 22467, Nov. 2, 2010>

1. The name, location, structure, the number of buildings and area of the factory;
2. The work facilities and equipment as well as the work capacity of the factory;
3. The kind of work that can be performed in the factory;
4. Raw materials and kinds of manufactured goods;
5. The period during which the factory is established and operated.

(3) Any person who intends to renew the license granted under paragraph (1) shall file an application stating the following matters, accompanied by documents prescribed by Ordinance of the Ministry of Strategy and Finance, with the head of the relevant customs office by one month prior to the expiration of the license period: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 23602, Feb. 2, 2012>

1. Grounds for renewal;
2. The renewal period.

(4) The head of the relevant customs office shall inform, in advance, each person who has obtained a license pursuant to paragraph (1) of the fact that he/she shall file an application for renewal of his/her license by no later than one month prior to the expiration of the license if he/she intends to renew it and the procedure for renewal by no later than two months prior to the expiration of the license by text messaging the same to his/her mobile phone, or through e-mail, facsimile, telephone, or by a document, etc. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

#### **Article 189 (Standards for License for Establishing and Operating Licensed Bonded Area)**

Requirements for a person to satisfy to obtain a license for establishing and operating a licensed bonded area shall be as follows:

1. He/she shall not have any customs duties or internal taxes in arrears;
2. He/she shall not fall any ground for disqualification prescribed in the subparagraphs of Article 175 of the Act;
3. He/she shall obtain permission, approval, etc. from the head of the relevant administrative agency according to the kind if he/she stores, manufactures, displays or sells hazardous goods;
4. He/she shall meet the requirements for capital, the size of export and import, purchase demand, storage area, etc. necessary to keep, sell and manage bonded goods, as prescribed by the Commissioner of the Korea Customs Service.

#### **Article 189-2 (Determination, etc. of Number of New Licenses for Bonded Stores)**

(1) The Minister of Strategy and Finance may determine the number of new licenses for bonded stores to be installed at places other than bonded areas in airports and harbors (hereinafter referred to as "downtown bonded stores") after deliberation and resolution by the Committee for Operation of Bonded Store System

established under Article 176-4 of the Act (hereinafter referred to as the "Committee for Operation of Bonded Store System").

(2) In any of the following subparagraphs, the Committee for Operation of Bonded Store System may deliberate and adopt resolution on the number of new licenses for downtown bonded stores that can be granted to persons other than small or medium enterprises under Article 176-2 (1) of the Act (hereinafter referred to as "small or medium enterprises, etc.") to be opened in the Special Metropolitan City, Metropolitan Cities, Special Self-Governing City, Dos, and Special Self-Governing Province (hereinafter referred to as "metropolitan municipalities"). In such cases, the Committee for Operation of Bonded Store System shall conduct deliberation and adopt a resolution, taking into account market conditions, such as the number of licenses for existing bonded stores and trends of foreign tourists during recent three years:

1. Where the amount of sales generated by downtown bonded stores by metropolitan municipality has increased by at least 200 billion won, compared to that of the preceding year;
2. Where the number of foreign tourists by metropolitan municipality has increased by at least 200 thousand, compared to that of the preceding year.

(3) In any of the following subparagraphs, the Committee for Operation of Bonded Store System may deliberate and adopt resolution on the number of new licenses for downtown bonded stores to be installed in the relevant metropolitan municipality. In such cases, the Committee for Operation of Bonded Store System shall deliberate and adopt resolution, taking into account the number of licenses for existing bonded stores, the trend of an increase in foreign tourists, etc., but the requirements prescribed in subparagraphs of paragraph (2) shall not apply:

1. Where it is intended to establish downtown bonded stores that sell goods to persons eligible for exemption of customs duties under Article 88 (1) 1 through 4 of the Act;
2. Where it is necessary to establish downtown bonded stores nearby an event hall, sport stadium, or athletes' village for a temporary period to promote the convenience of the executive officers, employees, athletes, members, and tourists participating in large-scale international events, such as the Olympic Games, the World Championship in Athletics, and any exhibitions prescribed in subparagraph 1 of Article 2 of the Enforcement Decree of the Act on the Development of Exhibition Industry;
3. Where the head of a metropolitan municipality which has no downtown bonded store requests the establishment of a downtown bonded store, intending to allow a person other than small or medium enterprise, etc. to establish a downtown bonded store;
4. Where a medium or small enterprise, etc. intends to establish a downtown bonded store in a metropolitan municipality.

(4) The Minister of Strategy and Finance shall notify the Commissioner of the Korea Customs Service of the result of deliberation and resolution by the Committee for Operation of Bonded Store System.

(5) Article 192-5 shall apply mutatis mutandis to licensing procedures concerning the establishment and operation of downtown bonded stores under paragraphs (2) and (3).

(6) Except as otherwise prescribed in paragraphs (1) through (5), detailed matters necessary for determining the number of new licenses for downtown bonded stores shall be determined and publicly notified by the Commissioner of the Korea Customs Service.

#### **Article 190 (Change of Details of Business)**

(1) When the operator of any licensed bonded area intends to change the kinds of stored goods, the kinds of licensed work or the raw materials for work, he/she shall file an application stating grounds therefor with the head of the relevant customs office to obtain approval therefor.

(2) The operator of a licensed bonded area, if he/she is a corporation, shall, when he/she alters registered matters, file without delay a notice stating a summary thereof with the head of the relevant customs office.

#### **Article 191 (Alteration including Increase or Decrease in Storage Capacity)**

(1) The operator of any licensed bonded area shall, when he/she intends to increase or decrease the capacity of storing goods and to do the work of enlarging and repairing operational facilities and equipment, which will bring a change to the capacity of the licensed work, file an application stating reasons therefor, appended by details of the work and a related drawing, with the head of the relevant customs office to obtain approval therefor from him/her: Provided, That where the storage capacity or the licensed work capacity is altered within the scope of the licensed area, the report thereof shall be deemed approval therefor. *<Amended by Presidential Decree No. 17467, Dec. 31, 2001>*

(2) The operator of the licensed bonded area shall, when the work referred to in paragraph (1) is completed, notify the head of the relevant customs office of the fact.

#### **Article 192 (License Period)**

The license period for any licensed bonded area (excluding any bonded exhibition, bonded construction work site and bonded store) shall be a period requested by any applicant within the limit of ten years: Provided, That where the Commissioner of the Korea Customs Service deems it necessary to reasonably manage bonded areas, he/she may set the license period of his/her own notwithstanding the license period set upon the request of any applicant. *<Amended by Presidential Decree No. 24825, Nov. 5, 2013>*

#### **Article 192-2 (Percentage, etc. of License for Bonded Stores)**

(1) As prescribed by Article 176-2 (1) of the Act, the head of a customs office shall grant at least 30 percent of the total number of license for bonded stores (at least 20% of the total number of license for bonded stores until December 31, 2017) to small and medium enterprises under Article 2 of the Framework Act on Small and Medium Enterprises and a person that fulfills all the following qualification requirements for obtaining a license under Article 174 (3) of the Act among middle-standing enterprises under subparagraph 1 of Article 2 of the Industrial Development Act (hereinafter referred to as "middle-standing enterprises"): *<Amended by Presidential Decree No. 25224, Mar. 5, 2014; Presidential Decree No. 25495, Jul. 21, 2014>*

1. The average amount of sales of an enterprise during the three business years immediately preceding the publication date prescribed in Article 192-5 (1) (referring to the sales amount on the profit and loss statement prepared in accordance with the business accounting standards; in case of a new

establishment, split-off or merger, referring to the amount obtained by converting the sales amount of the business year to which belongs the date following the registration thereof or the date of establishment into an annual sales amount; and in case of a business year which is less than one year, referring to the sales amount converted into that of one year) shall be less than 500 billion won;

2. Total amount of assets of an enterprise (referring to the total amount of assets on the statement of financial position as of the end of the business year immediately preceding the publication date under Article 192-5 (1)) shall be less than one trillion won;

3. A corporation total amount of assets of which is not less than one trillion won (including foreign corporations) shall not be the largest investor which directly or indirectly owns not less than 30 percent of the stocks or equity shares. In such cases, Article 2 (2) of the Enforcement Decree of the Adjustment of International Taxes Act shall apply mutatis mutandis to the ratio of indirect ownership, and the latter part of Article 3 (1) 2 (b) of the Enforcement Decree of the Framework Act on Small and Medium Enterprises shall apply mutatis mutandis to the largest investor.

(2) As prescribed in Article 176-2 (1) of the Act, the head of a customs office shall not grant 60% or more of the total number of license for bonded stores to enterprises belonging to enterprise groups subject to the limitations on mutual investment under Article 14 (1) of the Monopoly Regulation and Fair Trade Act.

(3) The time to determine whether the percentage of license prescribed in paragraphs (1) or (2) is met, shall be based on the time a license for establishing and operating a bonded store is granted.

(4) When the head of a customs office determines whether a percentage of license is met under paragraph (3), where a change in the percentage of license exists due to any unexpected cause, such as return, etc. of exiting licenses on or after the date of publication under Article 192-5 (1), such change in the percentage of license shall not be applicable.

(5) "Cases prescribed by Presidential Decree, such as cases where the existing license expires but an application for a new license under paragraph (3) is not filed" in Article 176-2 (2) of the Act refers to cases where the license for establishing and operating a bonded store is granted due to the expiration of the period of an existing license or the revocation, return, etc. thereof, which falls under all of the following subparagraphs: *<Amended by Presidential Decree No. 25224, Mar. 5, 2014>*

1. Where it fails to meet the requirements for the percentage of license prescribed in paragraph (1) or (2) if a license is granted to a person who is not a small or medium enterprise under Article 2 of the Framework Act on Small and Medium Enterprises or a middle-standing enterprise;

2. Where there is no small or medium enterprise under Article 2 of the Framework Act on Small and Medium Enterprises or middle-standing enterprise that fulfills the qualification requirements for application for the license prescribed in Article 192-3 (1).

### **Article 192-3 (Qualification Requirements for Application for Bonded Stores and Evaluation Criteria for Examination Thereof)**

(1) "Person who meets the specified qualification requirements is examined according to evaluation criteria prescribed by Presidential Decree" prescribed in Article 176-2 (2) of the Act refers to a person that

meets the qualification requirements for obtaining a license for establishing and operating a licensed bonded area under Article 189.

(2) "Evaluation criteria prescribed by Presidential Decree" prescribed in Article 176-2 (3) of the Act refers to evaluation criteria prescribed by the Commissioner of the Korea Customs Service taking the following evaluation factors into consideration: *<Amended by Presidential Decree No. 25224, Mar. 5, 2014>*

1. Whether the applicant fulfills the requirements for the license prescribed in Article 189;
2. Whether any obligation, order, etc. under any statute related to customs duties is violated;
3. Management ability of the operator of the bonded store, including financial soundness;
4. Contribution to economic and social development, such as the actual sales record of products of small and medium enterprises;
5. Tourism infrastructure and other surrounding environmental factors;
6. Return of profit of the enterprise to society;
7. Efforts for win-win cooperation among enterprises belonging to enterprise groups subject to the limitations on mutual investment under Article 14 (1) of the Monopoly Regulation and Fair Trade Act, small and medium enterprises under Article 2 of the Framework Act on Small and Medium Enterprises and middle-standing enterprises.

#### **Article 192-4**

[Former Article 192-4 Relocated to Article 192-7. *<by Presidential Decree No. 26089, Feb. 6, 2015>*]

#### **Article 192-5 (Procedures for Licensing of Bonded Stores)**

(1) Where it is necessary to grant a license for establishing and operating a bonded store under Article 176-2 of the Act due to the expiration of the period of an existing license or the revocation, return, etc. thereof, the Commissioner of the Korea Customs Service shall publish the following matters on the website of the Korea Customs Service, etc.: *<Amended by Presidential Decree No. 28443, Nov. 28, 2017>*

1. Matters concerning the procedures for application for the license, such as the period, place for application;
  2. Qualification requirements for the license;
  3. Place and period of license;
  4. Evaluation criteria prescribed by the Commissioner of the Korea Customs Service pursuant to Article 192-3 (2) (including detailed evaluation items and distribution of marks);
  5. Other necessary matters concerning the application for establishing and operating the bonded store.
- (2) A person that intends to obtain a license for establishing and operating a bonded store under Article 176-2 of the Act (hereinafter referred to as "applicant for the license of a bonded store") shall submit an application to the head of a customs office prescribed in Article 188 (1) during the period for application published under paragraph (1). *<Amended by Presidential Decree No. 28443, Nov. 28, 2017>*
- (3) The head of a customs office in receipt of an application under paragraph (2) shall submit the following documents or data to the Committee for Deliberation on Licensing of Bonded Stores established under Article 176-3 of the Act (hereinafter referred to as the "License Deliberative Committee") through



the Commissioner of the Korea Customs Service: <Amended by Presidential Decree No. 28443, Nov. 28, 2017>

1. An application referred to in paragraph (2);
2. Examination opinion of the head of the customs office on whether the applicant for the license of a bonded store fulfills the requirements prescribed in Article 192-3 (1);
3. Data determined by the Commissioner of the Korea Customs Service in regard to Article 192-3 (2) 1 and 2.

(4) After examining the appropriateness of the documents or data received pursuant to paragraph (3), the License Deliberative Committee shall evaluate the applicant for the license of a bonded store in accordance with the evaluation criteria prescribed in Article 192-3 (2) and notify the Commissioner of the Korea Customs Service and the head of the relevant customs office, of the result thereof. <Newly Inserted by Presidential Decree No. 28443, Nov. 28, 2017>

(5) The head of a customs office in receipt of the results under paragraph (4) shall grant a license to the selected applicant for the license of a bonded store, and shall notify each applicant for the license of a bonded store, of the results of the evaluation of the relevant applicant and as to whether the applicant is selected as a person to be granted a license for a bonded store, etc., as publicly notified by the Commissioner of the Korea Customs Service. <Newly Inserted by Presidential Decree No. 28443, Nov. 28, 2017>

(6) After deliberation is completed by the License Deliberative Committee pursuant to paragraph (4), the Commissioner of the Korea Customs Service shall disclose the following matters through the website of the Korea Customs Service, etc., as determined by the Commissioner of the Korea Customs Service: Provided, That the results of evaluation of an applicant for the license of a bonded store not selected as a person to be granted a license of a bonded store may be disclosed only with the consent of the relevant applicant: <Newly Inserted by Presidential Decree No. 28443, Nov. 28, 2017>

1. Results of evaluation of the applicant for the license of a bonded store;
2. List of the members of the License Deliberative Committee who have participated in the deliberation.

(7) In order to enhance the transparency and fairness of the process for performing affairs related to the licensing of a bonded store, an integrity ombudsman system under which it is allowed to detect any misconduct, etc. related thereto, demand the correction thereof, or request an audit, etc. by witnessing the process, such as the selection of the members participating in the meetings and deliberations of the Deliberative Committee. In such cases, the Commissioner of the Korea Customs Service shall take appropriate measures to prevent the leak of the list of the members who have participated in the deliberation of the License Deliberative Committee before it is disclosed under paragraph (6). <Newly Inserted by Presidential Decree No. 28443, Nov. 28, 2017>

(8) Except as otherwise expressly provided for in paragraphs (1) through (7), detailed procedures for granting a license for establishing and operating a bonded store shall be determined and publicly notified by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 28443, Nov. 28, 2017>

## **Article 192-6 (Renewal of License for Bonded Store)**

(1) The head of a customs office shall notify, in advance, a person who has obtained a license for a bonded store of the fact that he/she should apply for the renewal of the licence by at least six months prior to the expiration date of the licensed period if he/she intends to renew the license pursuant to Article 176-2 (6) of the Act and of the renewal procedures by at least seven months prior to the expiration date of the licensed period, by text messages via mobile phone or by e-mail, facsimile, telephone, or documentation, etc.

(2) Each person who intends to renew a license for a bonded store pursuant to Article 176-2 (6) of the Act shall submit an application stating the following matters to the head of a customs office by at least six months prior to the expiration of the term of validity, along with the documents prescribed by Ordinance of the Ministry of Strategy and Finance:

1. Grounds for renewal;
2. Period for renewal.

(3) The head of a customs office in receipt of an application referred to in paragraph (2) shall submit the following documents or data to the License Deliberative Committee through the Commissioner of the Korea Customs Service:

1. An application referred to in paragraph (2) and documents attached thereto;
2. Opinions reviewed by the head of the customs office on whether the person who has applied for the renewal under paragraph (2) (hereafter referred to as "applicant for renewal" in this Article) meets the requirements prescribed in Article 189 and whether he/she has violated any obligation, order, etc. under any statutes related to customs duties.

(4) After reviewing the adequacy of the documents or data submitted pursuant to paragraph (3), the License Deliberative Committee shall deliberate on whether renewal of the license for the bonded store should be granted by evaluating the applicant for renewal in accordance with the evaluation criteria set forth in Article 192-3 (2), and notify the result of the deliberation to the Commissioner of the Korea Customs Service and the head of the relevant customs office.

(5) After completing deliberation by the License Deliberative Committee under paragraph (4), the Commissioner of the Korea Customs Service shall disclose the following information on the website, etc. of the Korea Customs Service, as determined by the Commissioner of the Korea Customs Service: Provided, That, if no renewal of license for the bonded store is granted, matters prescribed in subparagraph 1 may be disclosed only with the consent of the applicant for renewal:

1. Result of evaluation on the applicant for renewal;
2. List of the members of the License Deliberative Committee who have participated in the deliberation.

(6) The head of a customs office shall grant renewal of a license in accordance with the result of the deliberation received pursuant to paragraph (4), and shall notify the applicant of the result of the evaluation and whether renewal of the license for the bonded store is granted.

(7) Except as otherwise prescribed in paragraphs (1) through (6), detailed matters concerning the renewal of licenses for bonded stores shall be determined and publicly notified by the Commissioner of the Korea

Customs Service.

#### **Article 192-7 (Reporting on Sales of Bonded Stores)**

The Commissioner of the Korea Customs Service shall report the sales of each bonded store of the whole country by not later than the end of February after closing each fiscal year to the Minister of Strategy and Finance for his/her report to the competent standing committee of the National Assembly under Article 176-2 (7) of the Act. *<Amended by Presidential Decree No. 26089, Feb. 6, 2015>*

#### **Article 192-8 (Composition and Organization of Committee for Deliberation on Licensing of Bonded Stores)**

(1) The License Deliberative Committee shall be comprised of not more than 100 members having due regard to their genders, including one chairperson. *<Amended by Presidential Decree No. 28443, Nov. 28, 2017>*

(2) Members of the License Deliberative Committee shall be commissioned for each field determined by the Commissioner of the Korea Customs Service (hereinafter referred to as "evaluation field") in consideration of the evaluation criteria prescribed in Article 192-3 (2) from among any of the following persons, and the chairperson shall be elected by and from among the members: *<Amended by Presidential Decree No. 28443, Nov. 28, 2017>*

1. Persons qualified as attorneys-at-law, certified public accountants, certified tax accountants, or licensed customs agents;
2. Persons who serve, or have served, as associate or higher professors teaching laws, accounting, etc. in schools referred to in subparagraph 1 or 3 of Article 2 of the Higher Education Act;
3. Persons with extensive knowledge of and experience in the fields of laws, business administration, economics, tourism, etc.

(3) The term of office of a member of the License Deliberative Committee shall be one year and may be renewed only once. *<Amended by Presidential Decree No. 28443, Nov. 28, 2017>*

(4) Where a member of the License Deliberative Committee falls under any of the following cases, the Commissioner of the Korea Customs Service may dismiss such member from his/her office: *<Amended by Presidential Decree No. 28443, Nov. 28, 2017>*

1. Where he/she is incapable of performing his/her duties due to mental incapacity;
2. Where he/she engages in misconduct in connection with his/her duties;
3. Where he/she is deemed unsuitable as a member due to neglecting duties, loss of dignity, or any other reason;
4. Where he/she voluntarily admits it is difficult for him/her to perform his/her duties.
5. Where the member fails to refrain from participating in deliberation and resolution, in spite of falling under Article 192-9 (3).

(5) The Commissioner of the Korea Customs Service shall disclose the list of the members commissioned pursuant to paragraph (2) on the website of the Korea Customs Service, etc. *<Newly Inserted by Presidential Decree No. 28443, Nov. 28, 2017>*

(6) Except as otherwise expressly provided for in paragraphs (1) through (5), matters necessary for the composition and operation of the License Deliberative Committee shall be determined by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 28443, Nov. 28, 2017>

#### **Article 192-9 (Meetings of Committee for Deliberation on Licensing of Bonded Stores)**

(1) The chairperson of the License Deliberative Committee shall convene and preside over the meetings thereof: Provided, That where the chairperson of the License Deliberative Committee is unable to perform his/her duties in any extenuating circumstances, a member pre-designated by the chairperson shall act on behalf thereof.

(2) A meeting of the License Deliberative Committee shall be comprised of not more than 25 members selected by the random extraction method in each evaluation field at each meeting.

(3) None of the following persons shall be allowed to participate in the relevant meeting:

1. A party to the relevant agenda (where a party to the agenda is a corporation, organization, etc., including the executive officers thereof; hereafter the same shall apply in this paragraph) or a person directly interested in the relevant agenda;

2. A person whose spouse, blood relative within the fourth degree of consanguinity, or relative by marriage within the second degree of affinity is a party to the relevant agenda or has direct interest in the relevant agenda;

3. A person who is or was the representative of a party to the relevant agenda;

4. A person who currently belongs, or has belonged within recent three years, to a corporation, organization, etc. which is or was the representative of a party to the relevant agenda;

5. A person who has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved in the business of a party to the relevant agency in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.;

6. A person who currently belongs, or has belonged within recent three years, to a corporation, organization, etc. which has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.

(4) If any member participating in a meeting of the License Deliberative Committee falls under any subparagraph of paragraph (3), he/she shall voluntarily refrain from the deliberation and resolution on the relevant meeting.

(5) The resolution of a meeting of the License Deliberative Committee shall require the attendance of a majority of all members selected pursuant to paragraph (2) and the consent of a majority of those present.

(6) Notwithstanding paragraph (5), where a deliberation on evaluation and selection of applicants for licenses of bonded stores under Article 176-3 (1) 1 of the Act or on renewal of a license under subparagraph 1-2 of the same paragraph is conducted, each committee member, except for the chairperson, shall conduct evaluation in his/her field of evaluation; the scores of all members evaluated by field shall be aggregated; and an applicant for the license of a bonded store who has obtained the highest

aggregate score shall be determined as the person to be granted a license of a bonded store. <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

(7) Where necessary for deliberation, the License Deliberative Committee may request the heads of relevant administrative agencies to submit data, opinions, etc., and may require relevant public officials or experts to appear and hear their opinions.

(8) Except as otherwise expressly provided for in paragraphs (1) through (7), necessary matters concerning meetings of the License Deliberative Committee shall be determined by the Commissioner of the Korea Customs Service.

#### **Article 192-10 (Composition of Committee for Operation of Bonded Store System)**

(1) The Committee for Operation of Bonded Store System shall be comprised of members of not less than seventeen but not more than twenty persons, including one chairperson.

(2) A person designated by the Minister of Strategy and Finance from among the vice ministers of Strategy and Finance shall be the chairperson; and members shall be appointed or commissioned by the Minister of Strategy and Finance from among the following persons:

1. Public officials of Grade III or public officials in general service belonging to the Senior Executive Service of the Ministry of Strategy and Finance;
2. Each one public official in general service belonging to the Senior Executive Service, respectively, in the Ministry of Culture, Sports and Tourism, the Ministry of Trade, Industry and Energy, the Ministry of Land, Infrastructure and Transport, the Ministry of SMEs and Startups, the Fair Trade Commission, and the Korea Customs Service who are involved in the relevant duties;
3. Persons commissioned by the Minister of Strategy and Finance from among persons with substantial knowledge and experience in such fields as customs duties, trade, law, business management, economy, tourism, etc.

(3) The term of office of members falling under paragraph (2) 3 shall be two years, and may be renewed only once: Provided, That a member appointed to fill a vacancy occurring before the expiration of the term for which his/her predecessor was appointed, shall serve for the remainder of such term.

(4) Where any member of the Committee for Operation of Bonded Store System falls under any of the following cases, the Minister of Strategy and Finance may remove or dismiss such member:

1. Where the member is unable to perform duties due to a mental or physical disorder;
2. Where the member has committed a misdeed with regard to duties;
3. Where the member is deemed unsuitable as a member due to neglecting duties, demeaning behavior, or on other reasons;
4. Where the member explicitly states in person that it is impractical for him/her to perform duties;
5. Where the member fails to abstain from participating in deliberation and resolution, in spite of falling under any subparagraph of Article 192-12 (4).

(5) Except as otherwise prescribed in paragraphs (1) through (4), detailed matters necessary for the composition and operation of the Committee for Operation of Bonded Store System shall be determined

by the Commissioner of the Korea Customs Service.

**Article 192-11 (Duties of Chairperson of Committee for Operation of Bonded Store System)**

(1) The chairperson of the Committee for Operation of Bonded Store System shall represent the relevant Committee and exercise the overall control over its affairs.

(2) If the chairperson of the Committee for Operation of Bonded Store System is unable to perform duties due to any extenuating circumstances, a member designated by the chairperson shall act on behalf thereof.

**Article 192-12 (Meetings of Committee for Operation of Bonded Store System)**

(1) The chairperson of the Committee for Operation of Bonded Store System shall convene and preside over the meetings thereof.

(2) Each meeting of the Committee for Operation of Bonded Store System shall be comprised of the chairperson and at least a majority of all incumbent members designated by the chairperson for each meeting; and at least one half of the designated members shall be the persons referred to in Article 192-10 (2) 3.

(3) Where any public official as a member of the Committee for Operation of Bonded Store System, is unable to attend a meeting of the Committee for Operation of Bonded Store System due to extenuating circumstances, any other public official working for an institution to which the member belongs may attend the meeting to act on behalf of such member.

(4) Any member of the Committee for Operation of Bonded Store System who falls under any of the following cases shall be excluded from the deliberation and resolution:

1. Where the member is a party to the relevant agenda (where a party to the relevant agenda is a corporation, organization, etc., including the executive officers thereof, hereafter the same shall apply in this paragraph) or a person directly interested in the relevant agenda;
2. Where the member's spouse, blood relative within the fourth degree of consanguinity, or relative by marriage within the second degree of affinity within the second degree is a party to the relevant agenda or has direct interest in the relevant agenda;
3. Where the member is or was the representative of a party to the relevant agenda within recent five years;
4. Where the member belongs or has belonged within recent five years to a corporation, organization, etc. which is or was the representative of a party to the relevant agenda;
5. Where the member has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.;
6. Where the member has provided counselling or advisory services at the request of a party to the relevant agenda or the member currently belongs to or has belonged within recent five years to a corporation, organization, etc. which has been directly involved in the business of the person to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing

research, service, etc.

(5) If any member of the Committee for Operation of Bonded Store System falls under any subparagraph of paragraph (4), he/she shall abstain from the deliberation to be conducted and resolution to adopted in a meeting.

(6) At least a majority of the members who are designated for each meeting of the Committee for Operation of Bonded Store System shall constitute a quorum for such meeting, and any decision thereof shall require the concurring vote of at least a majority of those present.

(7) Where necessary to facilitate operation, the Committee for Operation of Bonded Store System may request the head of any relevant administrative agency to submit data, opinion, etc., and may hear opinions of the related public officials, interested persons, etc.

(8) Members other than public officials who attend meetings of the Committee for Operation of Bonded Store System, may be paid allowances within budgetary limits.

(9) Except as otherwise prescribed in paragraphs (1) through (8), detailed matters necessary for meetings of the Committee for Operation of Bonded Store System shall be determined by its chairperson after resolution by the relevant Committee.

#### **Article 193 (Notice of Suspension and Closure of Licensed Bonded Area)**

(1) The operator of any licensed bonded area shall, when he/she discontinues the operation of the relevant licensed bonded area, serve a notice stating the following matters on the head of the relevant customs office:

1. The kind, name and location of the relevant licensed bonded area;
2. Reasons for discontinuing the operation of such licensed bonded area and the date and time of the discontinuation;
3. Details of goods stored therein;
4. Scheduled date on which the shipment of stored goods out of the licensed bonded area is completed.

(2) The operator of any licensed bonded area shall, when he/she intends to continuously suspend the operation of such licensed bonded area for not less than 30 days, serve a notice stating the following matters on the head of the relevant customs office and if he/she intends to resume the operation of the licensed bonded area, he/she shall notify the head of the relevant customs office of the fact:

1. The kind, name and location of the licensed bonded area;
2. Reasons for the suspension thereof and the suspension period.

#### **Article 193-2 (Criteria, etc. for Imposition of Penalty Surcharges on Operators of Licensed Bonded Areas)**

(1) The amount of a penalty surcharge to be imposed under Article 178 (3) of the Act shall be calculated by multiplying the amount set forth in subparagraph 2 by the period set forth in subparagraph 1:

1. Period: Number of days of suspension of shipping the goods into a licensed bonded area calculated under Article 178 (1) of the Act (one month shall be based on 30 days);

2. The amount of a penalty surcharge per day:  $1/6,000$  of the annual sales accrued from the operation of the relevant licensed bonded area.

(2) The annual sales referred to in paragraph (1) 2 shall be calculated as classified below:

1. Where the operator of a licensed bonded area has commenced the operation of the licensed bonded area before the beginning of the relevant business year: The average sales of the immediately preceding three business years (if the period from the commencement date of the operation to the end date of the immediately preceding business year is less than three years, the annual sales shall be the amount calculated by converting the sales accrued from the aforementioned commencement date until the end date thereof, into the annual average sales);

2. Where the operator of a licensed bonded area has commenced the operation of the licensed bonded area during the relevant business year: The amount calculated by converting the sales accrued from the aforementioned commencement until the date of occurrence of the grounds for disposition, such as suspension of shipping the goods into the licensed bonded area, into the annual sales.

(3) The head of a customs office may aggravate or reduce the amount of penalty surcharge by up to  $1/4$  of the amount of the penalty surcharges referred to in paragraph (1) in consideration of the business scale, the severity and frequency of violations, etc.: Provided, That if the penalty surcharge is aggravated, the total amount of the relevant penalty surcharge shall not exceed  $3/100$  of the annual sales calculated under paragraph (2).

(4) Article 285-7 shall apply mutatis mutandis to the imposition and payment of the penalty surcharge under paragraph (1). In such cases, "the Commissioner of the Korea Customs Service" shall be deemed "the head of a customs office."

#### **Article 194 (Reporting on Succession of License)**

(1) Any successor or a successor corporation that intends to continue the operation of a licensed bonded area under Article 179 (3) of the Act shall file a report on the succession of the licensed bonded area with the statement describing the kind, name and location of the licensed bonded area, appended by documents falling under each of the following subparagraphs, with the head of the relevant customs office:

1. A document that makes it possible to confirm the successor or the successor corporation;

2. A document, prescribed by the Commissioner of the Korea Customs Service, which makes it possible to confirm whether the license requirements under Article 174 (3) of the Act are met.

(2) The head of the relevant customs office shall, upon receiving the report referred to in paragraph (1), examine the report and notify the reporter of the results thereof within five days from the day on which the report is filed.

#### **Article 195 (Management of Licensed Bonded Area)**

(1) The head of the relevant customs office shall, when he/she deems it necessary to manage a licensed bonded area, order the operator of such licensed bonded area to report names of persons working for the licensed bonded area and other personnel matters.



(2) The gateway of any licensed bonded area shall be opened and closed and goods shall be handled in such licensed bonded area with customs officers monitoring such actions: Provided, That the same shall not apply where the head of the relevant customs office deems them unnecessary.

(3) The gateway of any licensed bonded area shall be locked. In such cases, the head of the relevant customs office may, when deemed necessary, get a place locked double and one of the two keys kept by a customs officer.

(4) The manager of a designated bonded area or the operator of a licensed bonded area shall stringently control his/her employees' access to the bonded areas.

**Article 196 Deleted.** <by Presidential Decree No. 22086, Mar. 26, 2010>

**Article 197 (Reporting on Storage of Domestic Goods, etc.)**

(1) Any person who intends to file a report under Article 183 of the Act shall file a report stating the matters falling under each of the following subparagraphs with the head of the relevant customs office:

1. The matters of Article 176 (1) 2;
2. Reasons for storing goods in a bonded warehouse;
3. The place where the goods are produced or manufactured.

(2) Any person who intends to obtain approval under Article 183 (3) of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The matters of subparagraph 2 of Article 175;
2. The place where goods are stored and the period for which goods are stored;
3. The place where goods are produced or manufactured;
4. Reasons for the application;
5. The scheduled date on which the stored foreign goods are shipped out of a bonded warehouse.

(3) With respect to any goods stored upon approval obtained under paragraph (2), the head of the relevant customs office may allow omitting a report on the shipment of goods into or out of a bonded warehouse under Article 176.

**Article 198 (Obligation of Bonded Warehouse Operator to Keep Books)**

The operator of any bonded warehouse shall keep a book on the stored goods and enter the following matters in the book: Provided, That in cases of goods as prescribed in Article 177 (1) 1 (c) of the Act, the keeping of a book and matters entered in such book may be omitted or simplified in part as prescribed by the Commissioner of the Korea Customs Service:

1. The name, quantity and price of goods shipped into or out of a bonded warehouse, the classification of such goods into domestic and foreign goods and the kind, notation, identification number and number of packages;
2. The date on which goods are shipped into or out of a bonded warehouse and report number;
3. Goods for which maintenance or supplementary work is done, the classification of materials used for such work into domestic and foreign materials, the name, quantity and price of such goods and materials, and the kind, notation, identification number and number of packages;

4. The kind of maintenance or supplementary work, the date on which such work is done and the approval number;
5. The date on which the inspection of maintenance or supplementary work is completed.

**Article 199 (Scope, etc. of Raw Materials at Bonded Factory)**

(1) Raw materials or other materials shipped into any bonded factory (hereinafter referred to as "raw materials used in bonded factory") to perform the bonded work therein under Article 185 of the Act means each of the following goods: Provided, That goods that are indirectly put in and consumed for the production, repair, assembly, inspection, packing of products, such as fuel and lubricant, and similar work for the operation and maintenance of machinery, apparatus, etc. shall be excluded herefrom: *<Amended by Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 27952, Mar. 27, 2017>*

1. Goods that are physically and chemically combined to produce manufactured goods in the relevant bonded factory;
  2. Goods that are put in and consumed in the process of manufacturing or processing goods produced in the relevant bonded factory or in the process similar thereto;
  3. Goods that are directly put in for repair, assembly, inspection, packing, and similar work in the relevant bonded factory.
- (2) The raw materials used in a bonded factory shall be goods whose quantity required to produce manufactured goods in the relevant bonded factory (hereinafter referred to as "required quantity of raw materials") can be objectively calculated.
- (3) The head of the relevant customs office may, when he/she deems it necessary to oversee any bonded factory in light of the nature of goods and the kind of bonded work therein, get the operator of such bonded factory to submit documents showing the calculation of the quantity of raw materials required to produce manufactured goods through the bonded work.
- (4) Matters necessary for the preparation of documents required to be submitted under paragraph (3) shall be prescribed by the Commissioner of the Korea Customs Service.

**Article 200 (Permission for Work Done Using Only Domestic Goods as Raw Materials)**

- (1) Any person who intends to obtain permission provided for in Article 185 (2) of the Act shall file an application stating the following matters with the head of the relevant customs office. In such cases, the relevant work shall be done separately from any work done using foreign goods:
1. Kind of work;
  2. Names and quantity of raw materials, the place of production or the place of manufacture;
  3. Work period.
- (2) The provisions of Article 176 shall apply mutatis mutandis to the shipment of domestic goods used for the work referred to in paragraph (1) into any bonded factory: Provided, That the head of the relevant customs office may allow the operator of the relevant bonded factory to report in the block names and quantity of goods expected to be required during the work period prior to the commencement of the work instead of making such report every time that such goods are shipped into the relevant bonded factory,

taking into account the actual operation of the relevant bonded factory, the nature of the work and the period, etc. The head of the relevant customs office may, when deemed necessary in light of the nature of business and the kinds of goods, get part of matters required to be entered in the report omitted.

#### **Article 201 (Restrictions on Shipment of Foreign Goods into Bonded Factory)**

When deemed necessary in light of the domestic supply situation, the Commissioner of the Korea Customs Service may restrict the shipment of foreign goods into the bonded factory referred to in Article 185 (5) of the Act. <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

#### **Article 202 (Reporting on Use of Goods Shipped into Bonded Factory)**

Any person who intends to file a report on the use of goods shipped into a bonded factory under Article 186 (1) of the Act shall file a report stating the following matters before such goods are used with the head of the relevant customs office:

1. The matters of each subparagraph of Article 246 (1);
2. The name, standard, quantity and price of such goods;
3. The place where such goods are stored.

#### **Article 203 (Application for Approving Work to be Done Outside Bonded Factory)**

(1) Any person who intends to obtain approval for the work to be done outside a bonded factory under Article 187 (1) of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. Deleted; <by Presidential Decree No. 18333, Mar. 29, 2004>
2. The kind, period and place of bonded work;
3. Reasons for the application;
4. The name, standard and quantity of goods produced through the relevant work.

(2) The head of the relevant customs office may, it is deemed necessary due to a calamity and other unavoidable grounds, alter the period or place of bonded work to be done outside a bonded factory upon an application.

(3) Deleted. <by Presidential Decree No. 20624, Feb. 22, 2008>

#### **Article 204 (Approval for Mixed Use of Domestic and Foreign Goods)**

(1) Any person who intends to obtain the approval under the proviso to Article 188 of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The notation, number, name, quantity by standard and mortality of foreign and domestic goods intended for mixed use;
2. The period of bonded work for which approval is sought and reasons therefor.

(2) The approval referred to in paragraph (1) shall be granted only when the name, standard, quantity and mortality of foreign and domestic goods used for the relevant work are confirmed based on the nature and process, etc. of such work and the duty base as prescribed in paragraph (4) can be determined.

(3) Where the name and standard of foreign and domestic goods intended to be used altogether are identical and the goods of the same kind with the same mortality are used altogether from among the

matters approved under paragraph (1), the head of the relevant customs office may get application for a new approval thereof omitted.

(4) When foreign and domestic goods are used altogether in accordance with the proviso to Article 188 of the Act, the portion equivalent to the ratio of the price (referring to the quantity in cases of goods subject to specific duties) of foreign goods from among goods manufactured using such foreign and domestic goods as raw materials and materials shall be deemed goods arriving in Korea from a foreign country.

#### **Article 205 (Methods, etc. of Applying for Assessment of Customs Duties on Raw Materials)**

(1) Any person who intends to file the application under Article 189 of the Act shall file an application with the head of the relevant customs office, stating the following matters: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*

1. The matter referred to in each subparagraph of Article 175;
2. The standard of foreign goods used as raw materials and the place where such foreign goods are produced or manufactured;
3. Reasons for the application;
4. Intended period of assessment of custom duties on raw materials.

(2) The application referred to in paragraph (1) shall be appended by documents falling under each of the following subparagraphs: Provided, That the same shall apply to cases where the head of the relevant customs office deems the existence of unavoidable grounds:

1. The evidential document as prescribed in Article 186 (2) of the Act;
2. The invoice of the relevant goods or any document that may be substituted for such invoice.

(3) "Standards prescribed by Presidential Decree" as referred to in Article 189 (2) of the Act means as follows: *<Newly Inserted by Presidential Decree No. 20624, Feb. 22, 2008>*

1. The ratio of the amount of exported goods out of total goods produced and sold in the latest two years shall be 50/100 or larger;
2. Standards, which are determined and publicly announced of the Commissioner of the Korea Customs Service, on good-faith and methods of management for raw materials shall be fulfilled.

#### **Article 206 (Obligation of Operator of Bonded Factory to Enter Matters in Book)**

(1) The operator of any bonded factory shall keep a book on goods and enter the following matters in such book:

1. The classification of goods shipped into or out of the bonded factory into domestic and foreign goods, the name, standard and quantity of the goods, and the kind, notation, identification number and number of packages, the date on which goods are shipped into or out of the bonded factory and report numbers;
2. The classification of goods used for the work into domestic and foreign goods, the name, standard and quantity of the goods, the kind, notation, identification number and number of packages, and date on which goods are used;

3. The notation, number, name, standard, quantity of goods produced through the bonded work, and the date of inspection;

4. Where approval is obtained for the mixed use of foreign and domestic goods, the matters falling under each of the following items:

(a) The date of approval;

(b) The notation, number, name, standard and quantity of goods used altogether and goods produced thereby, the classification of domestic and foreign goods and the date of production;

5. Where goods are shipped out of a bonded factory upon permission for the work outside a bonded factory, the matters falling under each of the following items:

(a) The date of permission and the permission period;

(b) The place into which the goods are shipped out of the bonded factory;

(c) The name, standard, quantity and price of the relevant goods.

(2) The head of the relevant customs office may allow to omit in the book matters deemed unnecessary from among the matters described in each subparagraph of paragraph (1), taking into account of the nature of the goods, the kind of bonded work and other circumstances.

#### **Article 207 (Check of Inventory)**

The head of the relevant customs office may, if deemed necessary, check the inventory of any bonded factory to confirm whether the document submitted under Article 199 (3) to show the calculation of quantities of raw materials required is appropriate and whether the obligation to enter matters in the book under Article 206 is sincerely met. <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

#### **Article 208 (Use of Goods in Bonded Exhibition)**

The use of the foreign goods for operating an exposition, etc. under Article 190 of the Act shall be deemed to include the act falling under each of the following subparagraphs:

1. The act of altering the nature and form of the relevant foreign goods;

2. The act of consuming goods by the sponsors, exhibitors and visitors in the bonded exhibition.

#### **Article 209 (Limit of Goods Stored in Bonded Exhibition)**

(1) The head of the relevant customs office may, when deemed necessary, limit the place where goods are stored in a bonded exhibition, check the use of goods therein and get the operator of such bonded exhibition to make necessary reports.

(2) Any foreign goods stored for sale in a bonded exhibition shall not be used before an import declaration thereon is accepted.

(3) Where foreign goods stored for exhibition in a bonded exhibition are sold, such goods shall not be delivered before an import declaration thereon is accepted.

#### **Article 210 (Scope of Goods Shipped into Bonded Construction Work Site)**

The goods which are permitted to be shipped into any bonded construction work site shall be limited to foreign goods as prescribed in Article 191 of the Act and other similar goods, which are deemed by the head of the relevant customs office necessary for the construction of the relevant industrial facilities.

### **Article 211 (Reporting on Completion of Bonded Construction Work)**

The operator of any bonded construction work site shall, when the construction work done using goods on which an import declaration is filed under Article 192 of the Act is completed, promptly file a report thereon with the head of the relevant customs office.

### **Article 212 (Application for Permitting Bonded Construction Work in Non-Bonded Construction Work Site)**

(1) Any person who intends to obtain permission under Article 195 (1) of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The matters of each subparagraph of Article 175;
2. The period in which the bonded work is completed and the place where the bonded work is done;
3. Reasons for the application;
4. The name, standard and quantity of goods to be produced in the bonded work.

(2) The head of the relevant customs office may, when deemed necessary due to a calamity or unavoidable grounds, alter the period and place of the bonded work outside a bonded construction work site upon a request filed by the operator of a bonded construction work site. <Amended by Presidential Decree No. 17467, Dec. 31, 2001>

### **Article 213 (Management of Bonded Stores, etc.)**

(1) Where any bonded store operator sells goods in his/her bonded store, he/she shall record matters of sale, personal matters of purchasers and other necessary matters, and keep such records, as prescribed by the Commissioner of the Korea Customs Service.

(2) The Commissioner of the Korea Customs Service may prescribe the method of selling goods and the method of delivering goods to the purchasers, etc. in every bonded store.

(3) Deleted. <by Presidential Decree No. 29530, Feb. 12, 2019>

(4) The head of the relevant customs office may check any bonded store to ascertain the quantity of bonded goods shipped into or out of such bonded store, the quantity of bonded goods sold therein, the quantity of goods shipped out of Korea and inventory, etc. at least twice a year.

(5) The Commissioner of the Korea Customs Service may prescribe procedures for shipping goods into or out of bonded stores and other necessary matters to prevent any goods from being illegally shipped out of bonded stores.

### **Article 214 (Designation of General Bonded Area, etc.)**

(1) A general bonded area (hereinafter referred to as "general bonded area") under Article 197 of the Act shall be an area falling under any one of the following subparagraphs which is subject to designation as it is deemed by the Commissioner of the Korea Customs Service an area necessary to be designated as a general bonded area: <Amended by Presidential Decree No. 18039, Jun. 30, 2003; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

1. An investment area for foreigners under the Foreign Investment Promotion Act;

2. The industrial complex under the Industrial Sites and Development Act;
3. Deleted; <by Presidential Decree No. 19993, Apr. 5, 2007>
4. The joint collection and delivery center under the Distribution Industry Development Act;
5. The logistics complex under the Act on the Development and Management of Logistics Facilities;
6. Other area, if designated as a general bonded area, expected to have the effect of inducing foreign investments, boosting exports or promoting physical distribution, etc.

(2) Any person who intends to request the designation of a general bonded area under Article 197 (1) of the Act (hereinafter referred to as "person who requests the designation of a general bonded area") shall file a designation application stating the following matters, accompanied by a drawing of the relevant area, with the Commissioner of the Korea Customs Service: <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

1. The location and area of the relevant area;
2. Current facilities inside the area and plans to install facilities;
3. The business plan.

(3) The Commissioner of the Korea Customs Service shall, when he/she intends to designate a general bonded area ex officio, consult with the head of the central administrative agency concerned or the head of the local government.

#### **Article 214-2 (Designation of Area Scheduled to be Developed into General Bonded Area)**

(1) The Commissioner of the Korea Customs Service may, upon receiving a request from the person who asks for the designation of a general bonded area, designate an area scheduled to function as a general bonded area as an area scheduled to be developed into a general bonded area (hereinafter referred as "area scheduled to be developed into a general bonded area").

(2) The designation period of the area scheduled to be developed into a general bonded area shall be not more than three years: Provided, That the Commissioner of the Korea Customs Service may, when it is deemed inevitable to extend the designation period on the grounds of a change, etc. in the development plan for the relevant area, extend the designation period within the period of three years.

(3) The provisions of Article 214 shall apply mutatis mutandis to the designation of any area scheduled to be developed into a general bonded area referred to in paragraph (1).

(4) The Commissioner of the Korea Customs Service may, upon receiving a request from the person who asks for the designation of a general bonded area under Article 214, designate the general bonded area after the development of such area is completed.

#### **Article 215 (Reporting on Establishment and Operation of General Bonded Business Place, etc.)**

(1) The provisions of Article 188 shall apply mutatis mutandis to the procedures for filing a report on the establishment and operation of a general bonded business place under Article 198 (1) of the Act: Provided, That the Commissioner of the Korea Customs Service may simplify the procedures for filing a report on the establishment and operation of any general bonded business place, including omitting part of the appended documents, taking into account the size and function, etc. of a general bonded business place.

(2) Any person who intends to file a report on altering the general bonded function under Article 198 (3) of the Act shall file a report stating the contents of such alteration with the head of the relevant customs office.

**Article 216 (Procedures for Shipping Goods into or out of General Bonded Area, etc.)**

The provisions of Article 176 shall apply mutatis mutandis to the report on the shipment of goods into or out of any general bonded area under Article 199 (1) of the Act.

**Article 216-2 (Scope of Foreign Tourists, etc.)**

"Persons prescribed by Presidential Decree, such as foreign tourists, etc." in Article 199-2 (1) of the Act means non-residents provided for in Article 3 of the Foreign Exchange Transactions Act (hereinafter referred to as "foreign tourists, etc."): Provided, That any of the following persons shall be excluded herefrom: <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>

1. Any Corporation;
2. Any foreign diplomat (including any foreign mission staff member corresponding to such foreign diplomat) who resides in Korea;
3. Any military person belonging to the UN forces and U.S. forces that are stationed in Korea.

**Article 216-3 (Sales of Goods in General Bonded Area)**

(1) Any person who sells goods to foreign tourists, etc. in a general bonded area (hereinafter referred to as "seller") in accordance with Article 199-2 of the Act shall file an import declaration thereon and pay customs duties by self-assessment of the goods that he/she sells as prescribed by the Commissioner of the Korea Customs Service.

(2) Every seller shall, if his/her import declaration filed under paragraph (1) is accepted, deliver the relevant goods to purchasers and if he/she sells goods to foreign tourists, etc. who purchase such goods for the purpose of shipping them out of Korea, he/she shall deliver a written confirmation of sales of goods (hereinafter referred to as "written sales confirmation") to each of the foreign tourists, etc. who purchase such goods.

(3) The Commissioner of the Korea Customs Service may limit the kinds and quantity, etc. of goods sold taking into account the location and size, etc. of the relevant general bonded area.

**Article 216-4 (Refund of Customs Duties, etc. to Foreign Tourists, etc.)**

(1) Where any foreign tourist, etc. intends to have customs duties, etc. he/she pays refunded or remitted when he/she purchases goods in any general bonded area, such foreign tourist, etc. shall put forward a written sales confirmation and present goods he/she purchases to the head of the relevant customs office having jurisdiction over the departure airport and port (hereinafter referred to as the "head of the relevant customs office having jurisdiction over the departure airport and port") when he/she departs Korea to have them confirmed.

(2) The head of the relevant customs office having jurisdiction over the departure airport and port shall affix a confirmation seal to the written sales confirmation after confirming the consistency of goods that



are presented by any foreign tourist, etc. under paragraph (1) with matters that are entered in the written sales confirmation and deliver such confirmation seal to the foreign tourist, etc. or send it to the seller.

(3) When any foreign tourist, etc. who takes the delivery of the written sales confirmation under paragraph (2), he/she may put forward such written sales confirmation to the operator of refund service center provided for in Article 216-6 in order to get his/her paid customs duties refunded or remitted: Provided, That where any seller takes the delivery of the written sales confirmation under paragraph (2), he/she shall remit the customs duties that the relevant foreign tourist, etc. pays in the general bonded area when the latter purchases goods to such foreign tourist, etc. within 20 days from the date on which the former takes the delivery of such written sales confirmation.

#### **Article 216-5 (Refund of Customs Duties, etc. by Seller)**

(1) Any seller may, in cases falling under each of the following subparagraphs after he/she sells goods at a price that includes customs duties and internal taxes, etc. (hereinafter referred to as "customs duties, etc.") in a general bonded area under Article 199-2 of the Act, have such customs duties, etc. refunded:

1. Where it is confirmed that any foreign tourist, etc. ships goods out of Korea within three months from the date on which he/she purchases such goods;
2. Where it is confirmed that the seller refunds or remits the relevant customs duties, etc. through the operator of refund service center in accordance with the main sentence of Article 216-4 (3) or he/she remits the relevant customs duties to the relevant foreign tourist, etc. in accordance with the provisions of the proviso to the same paragraph.

(2) The seller shall, if he/she intends to get customs duties, etc. refunded in accordance with paragraph (1), file an application stating the following matters, accompanied by a written sales confirmation that are confirmed by the head of the relevant customs office under Article 216-4 and an import declaration completion certificate, a document attesting the payment of customs duties and a document attesting the fact of refund or remittance referred to in paragraph (1) 2, with the head of the relevant customs office having jurisdiction over the relevant general bonded area. In such cases, the provisions of Articles 54 and 55 shall apply mutatis mutandis to the refund of the customs duties, etc.:

1. The name and specification of the relevant goods;
2. The sale date and sale confirmation number of the relevant goods;
3. The import declaration date and import declaration number of the relevant goods;
4. The amount that he/she intends to get refunded.

(3) The seller who is paid the refund under paragraphs (1) and (2) shall keep evidential documents related to the fact of refunding and remitting customs duties, etc. to foreign tourists, etc. for five years.

#### **Article 216-6 (Operator of Refund Service Center)**

(1) The Commissioner of the Korea Customs Service may designate any person who runs the business of refunding and remitting customs duties, etc. that are paid by foreign tourists, etc. in any general bonded area (hereinafter referred to as "operator of the refund service center") on behalf of the seller.

(2) The provisions of Articles 5-2 (2) through (5), 10-2, 10-3 and 14 (2) of the Special Case Provisions governing the Value-Added Tax and the Individual Consumption Tax for Foreign Tourists, etc. (hereinafter referred to as the "Special Case Provisions") shall apply mutatis mutandis to every operator of the refund service center referred to in paragraph (1). In such cases, the "head of competent regional tax office" in Article 5-2 (2) through (5) of the Special Case Provisions shall be deemed the "Commissioner of the Korea Customs Service", the "national tax or the local tax" in Article 5 (4) 3 of the Special Case Provisions that is applied mutatis mutandis by Article 5-2 (5) 1 of the Special Case Provisions shall be deemed "customs duties", the "foreign tourists" in Article 10-2 of the Special Case Provisions shall be deemed "foreign tourists, etc.", "duty-free goods" shall be deemed "goods", the "amount corresponding to the amount of tax" shall be deemed "customs duties, etc.", the "seller of duty-free goods" shall be deemed the "seller", the "Commissioner of the National Tax Service" shall be deemed the "Commissioner of the Korea Customs Service", "foreign tourists" in Article 10-3 of the Special Case Provisions shall be deemed "foreign tourists, etc.", the "amount corresponding to the custom duties" shall be deemed the "customs duties, etc.", the "seller of duty-free goods" shall be the "seller", the "Commissioner of the National Tax Service, the head of competent regional tax office or the head of competent tax office" in Article 14 (2) of the Special Case Provisions shall be deemed the "Commissioner of the Korea Customs Service or the head of jurisdictional customs office" and the "foreign tourists" shall be deemed the "foreign tourists, etc.", respectively. <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20516, Dec. 31, 2007>

**Article 217 (Obligation to Maintain Facilities and Equipment, etc.)**

(1) The facilities and equipment which the operator of any general bonded area is obliged to maintain under Article 202 (1) of the Act shall be as follows:

1. Machinery, facilities and appliances necessary for manufacturing, processing, displaying, selling, constructing and storing goods, and doing other bonded work;
2. The data-processing facilities and equipment necessary for the control of the shipment of goods into or out of the general bonded area and business inspection by the relevant customs office;
3. Facilities and equipment prescribed by statutes governing the fire fighting, electricity and the control of hazardous materials, etc.;
4. Facilities necessary for preventing bonded goods from being stolen and lost.

(2) Where the facilities and equipment referred to in paragraph (1) temporally fall short of the standards due to a natural calamity or other unavoidable grounds, the operator of the relevant general bonded area shall make such facilities and equipment meet the standards within a period fixed by the Commissioner of the Korea Customs Service.

(3) The provisions of Articles 177 and 203 shall apply mutatis mutandis to the report on the maintenance or supplementary work or the bonded work under Article 202 (2) of the Act.

**Article 218 (Grounds for Revocation of Designation of General Bonded Areas)**

(1) "Other grounds prescribed by Presidential Decree" in Article 204 (1) of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where a person who has requested the designation of his/her general bonded area requests the revocation of such designation;
2. Where the requirements for designating a general bonded area are extinguished.

(2) Deleted. <by Presidential Decree No. 29530, Feb. 12, 2019>

#### **Article 219 (Custody and Deposit of Goods, and Cancellation Thereof)**

(1) The head of the relevant customs office shall, when he/she keeps in custody and deposits goods under Article 206 of the Act, deliver a custody certificate or a deposit certificate, each stating the following matters:

1. The kind, number, name, standard and quantity of the packages of the relevant goods;
2. Reasons for custody or deposit;
3. The place where the relevant goods are kept in custody.

(2) Any person who intends to get the custody rescinded and the deposited goods returned shall submit the custody certificate or the deposit certificate delivered under paragraph (1) to the head of the relevant customs office.

#### **Article 220 (Sale Agent)**

Any institution that is permitted to act on behalf of the head of the relevant customs office in selling overly-long-stored goods prescribed in Article 208 (4) of the Act (hereinafter referred to as "sale agent") shall be any institution, any corporation or any organization designated each by the Commissioner of the Korea Customs Service from among institutions, corporations and organizations falling under each of the following subparagraphs: <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 25279, Mar. 24, 2014>

1. The Korea Assets Management Corporation established pursuant to the Act on the Efficient Disposal of Insolvent Assets, etc. of Financial Companies and the Establishment of the Korea Assets Management Corporation;
2. The Korea Veterans Welfare Corporation established pursuant to the Korea Veterans Welfare Corporation Act;
3. Any corporation and organization that is deemed complete with facilities and systems, etc. capable of selling goods through digital documents according to the standards set by the Commissioner of Korea Customs Service;
4. Deleted. <by Presidential Decree No. 17833, Dec. 30, 2002>

#### **Article 221 (Notice on Vicarious Sale of Goods to Owner, etc.)**

(1) The head of the relevant customs office shall, when he/she lets any sale agent sell overly-long-stored goods, send a written request for selling such goods on behalf of him/her to the sale agent.

(2) The head of the relevant customs office shall notify the owner and custodian of the goods of the fact of vicarious sale thereof under paragraph (1).

## Article 222 (Methods of Sale, etc.)

(1) The estimated price as prescribed in Article 210 (2) of the Act shall be diminished beginning with the second competitive bidding, and the ceiling of diminishment shall be 50/100 of the initially estimated price: Provided, That it shall not be diminished to the amount below the amount of customs duties, which is calculated based on the initially estimated price, except any goods prescribed by the Commissioner of the Korea Customs Service.

(2) Where there are higher bidding prices than the estimated price to be diminished in the next bidding, a free contract as prescribed in Article 210 (2) of the Act shall be concluded in order of the bidding price. The same shall apply to cases where a bidding price by a single bidder is higher than the estimated price to be diminished in the next bidding or a person intends to purchase goods, the public sale procedures of which are completed, at a price higher than the final estimated price.

(3) In cases of paragraph (2), if a free contract is not concluded and another bidding is established, the highest bidding price in the immediately preceding bidding shall be the estimated price of the next bidding. *<Amended by Presidential Decree No. 27952, Mar. 27, 2017>*

(4) A person who is entitled to conclude a free contract under paragraph (2) and refuses to conclude such free contract shall be prohibited from participating in any competitive bidding beginning the next competitive bidding on the relevant goods.

(5) "Goods prescribed by Presidential Decree" in Article 210 (4) of the Act means goods deemed necessary for swift sale and designated as the subject of consignment sale by the Commissioner of the Korea Customs Service among any of the following goods: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Goods which are decomposed or feared to be decomposed;
2. Goods which become useless due to the expiration of the period or are feared to suffer a sharp fall in their commercial value;
3. Goods unsuitable for a direct public sale because of the fear that the efficiency of the sale is reduced and of the need of expertise if put on a public sale.

(6) In cases of the consignment sale under Article 210 (4) of the Act, the sale price shall be the final estimated price (referring to the price calculated according to paragraph (7) for goods falling under paragraph (5) and the place, method, fees and other necessary matters concerning the consignment sale shall be determined by the Commissioner of the Korea Customs Service.

(7) The estimated price of goods sold under Article 210 of the Act and the customs value of such goods shall be calculated as prescribed by the Commissioner of the Korea Customs Service.

(8) Goods which are to be sold under Article 210 of the Act and fall under each of the following subparagraphs shall be sold on condition that they be exported or sold in foreign currencies: Provided, That the goods of subparagraph 2, which are deemed necessary by the Commissioner of the Korea Customs Service, may be sold on condition that they be imported upon consultations with the competent minister or the head of an agency designated by such competent minister:

1. Goods which are prohibited from being imported under Acts;
2. Other goods which are designated by the Commissioner of the Korea Customs Service.

(9) "Where the goods cannot be sold through the competitive bidding, in consideration of the nature, form and the purpose of use, etc. of such goods" in Article 210 (3) 2 of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where goods are feared to be considerably decomposed, damaged and qualitatively changed, or to suffer a fall in their commercial value if not immediately sold;
2. Where the estimated sale price of goods runs below 500,000 won;
3. Where the sale of goods through a competitive bidding is not in the public interest.

#### **Article 223 (Transfer of Goods Subject to Sale)**

(1) The goods subject to sale which are held by the head of the relevant customs office or kept in custody by a third person may be transferred to a sale agent. In such cases, with respect to the goods kept in custody by the third person, the transfer of a custody certificate issued by such third person may be substituted for the transfer of such goods.

(2) The sale agent shall, when it takes over the goods under paragraph (1), prepare a document of transfer and taking over.

#### **Article 224 (Withdrawal of Request for Sale of Goods by Proxy)**

(1) The sale agent may, if it fails to sell the goods within two years from the day on which it receives a written request for the sale of such goods, ask the head of the relevant customs office to withdraw the written request for the sale of the goods.

(2) The head of the relevant customs office shall, upon receiving the request referred to in paragraph (1), comply with such request unless special reasons exist that make it impossible for it to do so.

#### **Article 225 (Details of Sale of Goods by Proxy)**

Other necessary matters concerning the sale of goods by the sale agent, if not prescribed by this Decree, shall be prescribed by the Commissioner of the Korea Customs Service after consulting with each sale agent.

#### **Article 226 (Report on Bonded Transportation, etc.)**

(1) Each person, who intends to file a report on the bonded transportation or to obtain approval thereof under Article 213 of the Act, shall file a report or a written application stating the following matters with the head of the relevant customs office: Provided, That if it is necessary for any foreign trade vessel or any foreign trade aircraft to efficiently load and unload goods or it is not deemed any impediment to the supervision and control by the Commissioner of the Korea Customs Service, it shall be governed by what he/she prescribes otherwise: <Amended by Presidential Decree No. 17833, Dec. 30, 2002>

1. The kind, name and number of the transportation means;
2. The transportation route and destination;
3. The number of the carriage note and the number of bill of lading or the number of airway bill and the place of loading, production or manufacture of the goods;

4. The kind, identification number and number of packages;
  5. The name, standard, quantity and price of the goods;
  6. The transportation period;
  7. The name, address, business registration number, and name of representative of the owner of goods.
- (2) If it is deemed unnecessary taking into account the transportation distance and other circumstances, the head of the relevant customs office may allow to omit some of entry matters provided for in paragraph (1).
- (3) Cases where approval is required for bonded transportation under the proviso to Article 213 (2) of the Act means where any of the following goods is transported: <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 25836, Dec. 9, 2014>

1. Goods intended to be re-transported in a bonded manner into other bonded area among goods transported in a bonded manner;
  2. Goods subject to quarantine provided for in the Quarantine Act, the Plant Protection Act and the Act on the Prevention of Contagious Animal Diseases;
  3. Dangerous substances provided for in the Act on the Safety Control of Hazardous Substances;
  - 3-2. Toxic chemicals provided for in the Chemicals Control Act;
  4. Non-metallic elements;
  5. Goods for which 30 days have elapsed from the date on which they were shipped into a bonded area for the first time after arriving in Korea;
  6. Goods whose customs clearance is withheld or whose import declaration cannot be accepted;
  7. Goods transported into a non-bonded area upon approval for storing them therein under Article 156 of the Act;
  8. Non-bulky and high-priced goods, such as rare stones, semi-rare stones, precious metals, oriental medicines, medicines and perfumes, etc.;
  9. Goods, the owner or the title holder of which directly transports in a bonded manner;
  10. Goods which shall be undergone customs clearance in a restricted area under Article 236 of the Act;
  11. Goods transported in a bonded manner by dividing up the goods on the basis of the bill of lading of the same owner on the cargo manifest;
  12. Goods designated by the head of the relevant customs office for the purpose of preventing illegal export and import;
  13. Goods transported by the operator of a bonded transportation business who is under investigation or is waiting for a final judgment after being charged with violating the Act or any order given by the head of a customs office in accordance with the Act.
- (4) With respect to goods designated by the Commissioner of the Korea Customs Service as not impeding the control of cargoes and the prevention of illegal export and import even if they are not approved for bonded transportation, among the goods described in paragraph (3), such goods may be transported in a bonded manner upon a report.

### **Article 227 (Application for Extending Period of Bonded Transportation)**

Any person who intends to get his/her bonded transportation period extended under the proviso to Article 216 (2) of the Act shall file an application stating the following matters with the head of the relevant customs office, with whom a report on the bonded transportation has been filed or who has granted approval for the transportation or with the head of the relevant customs office located in the destination of the bonded transportation:

1. The date of report or approval for the transportation, and the number of report or approval therefor;
2. The name, standard and quantity of the relevant goods;
3. The desired period of extension and reasons therefor.

### **Article 228 (Application for Disposal of Transported Goods)**

The provisions of Articles 179 and 180 shall apply mutatis mutandis to the case of the proviso to Article 217 of the Act.

### **Article 229 (Transportation of Goods from Wrecked Vessel or Aircraft)**

(1) Any person who intends to obtain approval under Article 219 (2) of the Act shall file an application stating the matters of each subparagraph of Article 226 (1) with the head of the relevant customs office.

(2) The provisions of Article 226 (3) shall apply mutatis mutandis to the case of paragraph (1).

### **Article 230 (Reporting on Domestic Transportation)**

The provisions of Article 226 shall apply mutatis mutandis to reporting pursuant to Article 221 of the Act.

### **Article 231 (Registration of Bonded Transportation Operators, etc.)**

(1) Any person that intends to register himself/herself as a bonded transportation operator under Article 222 (1) of the Act shall file an application stating the following matters with the head of the relevant customs office: <Amended by Presidential Decree No. 28642, Feb. 13, 2018>

1. The domicile, name and firm name of the applicant;
2. The type and place of business;
3. The type, name and number (referring to the number registered, etc. pursuant to the relevant statute) of transportation means.

(2) Where an applicant under paragraph (1) meets the registration requirements prescribed in Article 223 of the Act and falls under each of the following subparagraphs, the head of the relevant customs office shall enter necessary matters in the relevant register and issue a registration certificate:

1. Where he/she is equipped with the means of transportation or facilities and equipment prescribed by the Commissioner of the Korea Customs Service as necessary for bonded transportation, the provision of loaded or unloaded goods and international transportation, etc.;
2. Where he/she has the capital or deposit in excess of a certain amount prescribed by the Commissioner of the Korea Customs Service;
3. Where he/she has not been investigated as a customs offender or is not under indictment for violating the Act or any order issued by the head of the relevant customs office under the Act.

(3) A person that intends to renew the period of validity of the registration under the main sentence of Article 222 (5) of the Act shall file an application for renewal of registration with the head of the competent customs office not later than one month before the expiration of the period of validity.

*<Amended by Presidential Decree No. 25224, Mar. 5, 2014; Presidential Decree No. 26957, Feb. 5, 2016>*

(4) The head of the relevant customs office shall inform in advance each person who has obtained registration under paragraph (1) of the fact that he/she shall file an application for renewal of registration by no later than one month prior to the expiration of the first registration if he/she intends to renew the period of validity of such registration and procedures for renewal by no later than two months prior to the expiration of the first registration by text messaging the same to his/her mobile phone, or through e-mail, facsimile, telephone, or by a document, etc. *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*

(5) Where any of the registered matters is revised, any person that has obtained registration under paragraph (1) shall file a report thereon with the head of the jurisdictional customs office without delay.

**Article 231-2 (Criteria, etc. for Imposition of Penalty Surcharges on Bonded Transportation Business Entities, etc.)**

(1) The amount of a penalty surcharge to be imposed under Article 224 (2) of the Act shall be computed by multiplying the period set forth in subparagraph 1 by the amount set forth in subparagraph 2:

1. Period: Number of days subject to business suspension computed under Article 224 (1) of the Act (one month shall be based on 30 days);

2. The amount of penalty surcharge per day: 1/6,000 of the annual sales accrued by performing the relevant business.

(2) The annual sales referred to in paragraph (1) 2 shall be computed as classified below:

1. Where a person falling under any subparagraph of Article 222 (1) of the Act (hereinafter referred to as "bonded transportation business entity, etc.") has commenced business before the beginning of the relevant business year: The average sales of the immediately preceding three business years. In such cases, if the period from the commencement date of business to the end date of the immediately preceding business year is less than three years, the annual sales shall be computed by converting the sales accrued from the aforementioned commencement date of the business until the end date thereof, into an average annual sales;

2. Where a bonded transportation business entity, etc. has commenced business in the relevant business year: The amount computed by converting the sales accrued from the commencement date of the business until the date of occurrence of the ground for disposition of business suspension, into the average annual sales.

(3) The head of a customs office may aggravate or reduce the amount of the penalty surcharges computed under paragraph (1) within the limit of 1/4 thereof taking into consideration the scale of business, the severity and frequency of violations, etc. In such cases, where a penalty surcharge is aggravated, the total amount of penalty surcharges shall not exceed 3/100 of the annual sales computed under paragraph (2).



(4) Article 285-7 shall apply mutatis mutandis to the imposition and payment of penalty surcharges under paragraph (1). In such cases, "Commissioner of the Korea Customs Service" in Article 285-7 (1), (2) and (4) shall be construed as "the head of a customs office".

#### **Article 232 (Declaration and Reporting by Shipping Company, etc. Handling Bonded Cargos)**

(1) A shipping company or an airline that handles bonded cargoes under Article 225 (1) of the Act (including its agent and hereafter referred to as "shipping company or airline" in this Article) who intends to handle bonded cargoes under Article 225 (1) of the Act shall file a report attesting that he/she meets the each of the following requirements and stating the domicile, name, firm name and the place of business of the applicant with the head of the relevant customs office: <Amended by Presidential Decree No. 23127, Sep. 7, 2011; Presidential Decree No. 27970, Mar. 29, 2017>

1. He/she is required not to fall under each subparagraph of Article 175 of the Act;
2. He/she is required to make a registration under the relevant statutes, such as the Marine Transportation Act and the Aviation Business Act.

(2) "Important matters prescribed by Presidential Decree" in the latter part of Article 225 (1) of the Act means the following matters: <Newly Inserted by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>

1. The domicile and name of the person who makes the report;
2. The firm name and the place of business of the person who makes the report;
3. The registered matters that are reported pursuant to the provisions of paragraph (1) 2.

(3) The head of the relevant customs office may get any shipping company or airline to report the following matters in accordance with Article 225 (2) of the Act (including cases applicable mutatis mutandis in paragraph (3) of the same Article): <Amended by Presidential Decree No. 23127, Sep. 7, 2011>

1. Details of the bill of lading or the airway bill issued by the shipping company or airline the owner of goods or to the broker of bonded cargo transportation under Article 222 (1) 2 of the Act;
2. Matters necessary to investigate any customs offender or speed up customs clearance, including the abnormality of goods discovered in the course of handling the cargoes.

#### **Article 233 (Confirmation of Required Conditions)**

With respect to the goods which are required to meet the conditions of permission, approval, labeling and others (hereafter in this Article referred to as "required conditions"), the Commissioner of the Korea Customs Service shall, upon a request from the minister of the competent ministry, publish goods subject to the confirmation of whether they meet the required conditions set by the head of the relevant customs office, ways to make such confirmation, procedures for making such confirmation (including the procedures for filing an application for making such confirmation by making use of the information and communications network that is designated and published by the Commissioner of the Korea Customs Service) and other matters needed to make such confirmation taking into account whether such goods are confirmable by customs officers, the characteristics of the goods and conditions of customs clearance for exported and imported goods. <Amended by Presidential Decree No. 19478, May 22, 2006>

### **Article 234 (Exemption from Obligation)**

Any person who intends to exempt him/her from meeting the obligation imposed at the time an import declaration is accepted under Article 227 (1) of the Act shall obtain approval therefor from the head of the relevant customs office, who has requested the meeting of such obligation only in cases falling under each of the following subparagraphs:

1. Where he/she is not required to meet the obligation after having obtained permission, approval, recommendation and satisfied other conditions given under the relevant statutes;
2. Where the obligation is rescinded following the revision, etc. of the relevant statutes;
3. Where a cause is deemed to exist that makes it impossible to meet the obligation imposed upon a request from the head of an administrative agency concerned.

### **Article 235 (Labeling of Customs Clearance)**

(1) With respect to the goods falling under each of the following subparagraphs, the head of the relevant customs office may order customs clearance labels to be put on them in accordance with Article 228 of the Act to secure customs duties:

1. Goods subject to the application of reduction or exemption of customs duties or the usage tariff rate under the Act;
2. Goods for which approval is obtained for the payment of customs duties in installments under Article 107 (2) of the Act;
3. Goods designated by the Commissioner of the Korea Customs Service to distinguish them from illegal import goods.

(2) Matters necessary for goods subject to customs clearance labels, the kinds of customs clearance labels, the method of putting such labels on goods, etc. shall be determined by the Commissioner of the Korea Customs Service.

### **Article 236 (Submission, etc. of Certificate of Origin)**

(1) Each of the following persons shall submit a document attesting the country of origin of the relevant goods (hereinafter referred to as "certificate of origin") to the head of the relevant customs office when he/she files an import declaration on the relevant goods: Provided, That if a person falling under subparagraph 1 fails to submit a certificate of origin when he/she files an import declaration due to the loss thereof, etc. although he/she was issued it before filing an import declaration, he/she may submit the relevant certificate of origin or a duplicate thereof during the term of validity of the certificate of origin prescribed in paragraph (4). *<Amended by Presidential Decree No. 26089, Feb. 6, 2015>*

1. A person who intends to get a tariff rate lower than the tariff rate applied to the goods produced (including processing) in other country applied to his/her imported goods under Acts, treaties or conventions and the country of origin of his/her imported goods is deemed necessary to be confirmed by the Commissioner of the Korea Customs Service;
2. A person who imports goods designated by the Commissioner of the Korea Customs Service as necessary to confirm their country of origin for the application of tariff rates and other reasons.

(2) The provisions of paragraph (1) shall not apply to any of the following goods in accordance with the proviso to Article 232 (1) of the Act: <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

1. Goods which the head of the relevant customs office is able to confirm their country of origin by their kind, nature, form, trademark, producing country name, manufacturer, etc.;
2. Postal materials (excluding any postal materials falling under Article 258 (2) of the Act);
3. Goods whose customs value (referring to the customs value calculated by applying mutatis mutandis Article 15 of the Act in cases of the specific duties) is not more than 150,000 won;
4. Consignments and unaccompanied goods sent to individuals without compensation or personal effects of travelers;
5. Goods prescribed by the Commissioner of the Korea Customs Service upon consulting with the heads of administrative agencies concerned.

(3) A certificate of origin to be submitted to the head of the relevant customs office under paragraph (1) shall be as follows:

1. The relevant customs office, the institution authorized to issue certificates, or the chamber of commerce and industry of the country of origin shall confirm the country of origin (including the area) of the relevant goods or issue a certificate to that effect;
2. With respect to the goods which are not imported directly from the country of origin, but via a third country, if the relevant customs office, the institution authorized to issue certificates, or the chamber of commerce and industry of the third country confirms the country of origin of the relevant goods or issues a certificate to that effect, the country of origin and a certificate to that effect shall be confirmed based on the certificate of origin issued by the country of origin for the relevant goods;
3. With respect to the goods prescribed by the Commissioner of the Korea Customs Service, the producer, the supplier, the exporter or the authorized person shall enter the country of origin in the commercial invoice or the related document.

(4) The certificate of origin referred to in paragraph (3) shall state the matters prescribed by the Commissioner of the Korea Customs Service, such as the name, quantity, producing place and exporter of the relevant imported goods and such country of origin certificate shall be issued within one year retroactively from the date on which it is submitted (excluding the period classified as follows). <Amended by Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 26089, Feb. 6, 2015>

1. Where the relevant goods arrive at the port of entry within one year from the issuance of the certificate of origin but one year passes from the date on which an import declaration thereof is filed: Period from the day following the day on which the relevant goods arrive at the port of entry to the day on which the import declaration thereof is filed;
2. Where the relevant goods arrive at the port of entry after one year from the issuance of the certificate of origin due to natural disaster or other similar reason: Period from the day following the day on which the relevant reason occurs to the day on which such ground ceases to exist.

(5) In submitting a certificate of origin or a duplicate thereof under the proviso to the part other than subparagraphs of paragraph (1), an application for rectification referred to in Article 34 (1) shall be submitted together. <Newly Inserted by Presidential Decree No. 6089, Feb. 6, 2015>

#### **Article 236-2 (Prior Confirmation of Country of Origin, etc.)**

(1) Any person who imports goods, whose country of origin is required to be confirmed under Article 232 of the Act, may file an application with the Commissioner of the Korea Customs Service for making a confirmation or an examination of the following matters before he/she files an import declaration on the relevant goods (hereinafter referred to as "prior confirmation"):

1. Whether the standards for confirming the country of origin provided for in Article 299 of the Act are met;
2. Whether, if the standards for confirming the country of origin for specific goods are differently set in accordance with relevant statutes following the conclusion of treaties or agreements, etc., such standards for confirming the country of origin for such specific goods, which are set in accordance with the relevant statutes, are met;
3. Matters that are prescribed by the Commissioner of the Korea Customs Service as a basis for determining whether the standards for confirming the country of origin referred to in subparagraphs 1 and 2 are met;
4. Other matters that are prescribed by the Commissioner of the Korea Customs Service as being necessary to apply customs duties according to the country of origin.

(2) The Commissioner of the Korea Customs Service shall, upon receiving an application for a prior confirmation, make such confirmation and deliver a document stating the results of his/her confirmation (hereinafter referred to as "written prior confirmation") to the relevant applicant within 60 days after receipt of such application: Provided, That where it is impractical to make a prior confirmation on the ground of the imperfection, etc. of data submitted, the relevant applicant shall be notified of such ground.

(3) The head of the relevant customs office shall, if the contents of goods on which an import declaration is filed and their certificate of origin are recognized to be identical to contents of the written prior confirmation, apply a reduction, etc. of customs duties thereto according to contents of the written prior confirmation unless any extenuating circumstance exist.

(4) If a person who are notified of the results of a prior confirmation under paragraph (2) (including persons who are notified of changes in contents of a written prior confirmation under Article 236-3 (1)) intends to file an objection to the details of the notification, he/she shall submit an application therefor stating the following matters, accompanied by the data by which the contents of the objection filed are ascertainable within 30 days after being notified of such results: <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

1. Name and address or residence of the person who files an objection;
2. Name, specification, use of the relevant goods, exporter, producer and importer of the relevant goods;

3. Gist and contents of the objection filed.

(5) Upon receiving an objection filed under paragraph (4), the Commissioner of the Korea Customs Service shall examine it and inform the applicant of the details of his/her decision within 30 days. *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*

(6) If the contents of an objection filed or procedures for filing the objection are deemed inappropriate or need to be revised, the Commissioner of the Korea Customs Service may request the applicant to revise them in writing stating the following details. In such cases, the revision period shall not be included in the period for examination and making a decision pursuant to paragraph (5): *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*

1. Matters to be revised;
2. Reasons for requesting the revision;
3. Revision period;
4. Other necessary matters.

#### **Article 236-3 (Change in Contents of Written Prior Confirmation)**

(1) The Commissioner of the Korea Customs Service may, if a change occurs in the fact that provides a basis for the written prior confirmation or in circumstances, change contents of the written prior confirmation. In such cases, the Commissioner of the Korea Customs Service shall inform the applicant of contents of such change.

(2) Where contents of the written prior confirmation are changed in accordance with paragraph (1), changed contents shall apply to goods on which an import declaration is filed after the date on which contents of the written prior confirmation are changed: Provided, That when contents of the written prior confirmation are changed on the grounds of an omission in submitted materials or the submission of false materials, etc. for which the applicant is responsible, changed contents shall also be retroactively applied to goods on which an import declaration is filed prior to the date on which contents of the written prior confirmation are changed in connection with the relevant prior confirmation.

#### **Article 236-4 (Country of Origin Confirmation Committee)**

(1) Deleted. *<by Presidential Decree No. 28642, Feb. 13, 2018>*

(2) The Country of Origin Verification Committee established under Article 232-3 of the Act (hereafter referred to as the "Committee" in this Article) shall be comprise of 20 to 30 members, including one chairperson. *<Amended by Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 28642, Feb. 13, 2018>*

(3) The chairperson shall be appointed from among public officials who are members of the Senior Executive Service, and members shall be appointed or commissioned by the Commissioner of the Korea Customs Service from among the following persons: *<Amended by Presidential Decree No. 19513, Jun. 12, 2006>*

1. Public officials in charge of the country of origin affairs in the relevant central administrative agencies;

2. Public officials in charge of the country of origin affairs in the Korea Customs Service, the Customs Valuation and Classification Institute, the Central Customs Analysis Office or customs offices;
  3. Other persons with considerable knowledge and experience in the country of origin affairs.
- (4) The term of office of members falling under paragraph (3) 3 shall be two year and may be renewed only once: Provided, That a member appointed to fill a vacancy occurring before the expiration of the term for which his/her predecessor was appointed, shall serve for the remainder of such term. <Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>
- (5) The Commissioner of the Korea Customs Service may dismiss or remove a member from office, if the member falls under any of the following cases: <Newly Inserted by Presidential Decree No. 27129, May 10, 2016; Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>
1. Where the member becomes incapable of performing his/her duties due to a mental disorder;
  2. Where the member engages in misconduct in connection with his/her duties;
  3. Where the member is deemed unsuitable as a member due to neglect of duties, loss of dignity, or on any other reason;
  4. Where the member voluntarily admits that it is difficult for him/her to perform his/her duties;
  5. Where the member fails to refrain from participating in deliberation and resolution, in spite of falling under any subparagraph of paragraph (6).
- (6) Any Committee member who falls under any of the following cases shall be excluded from the deliberation and resolution: <Newly Inserted by Presidential Decree No. 28642, Feb. 13, 2018>
1. Where the member is a party to the relevant agenda (where a party to the relevant agenda is a corporation, organization, etc., including the executive officers thereof; hereafter the same shall apply in this paragraph) or a person directly interested in the relevant agenda;
  2. Where the member's spouse, relative within the fourth degree of consanguinity, or relative within the second degree of affinity within the second degree is a party to the relevant agenda or has direct interest in the relevant agenda;
  3. Where the member is a current representative or was the representative of a party to the relevant agenda within the recent five years;
  4. Where the member belongs to or has belonged within the recent five years to a corporation, organization, etc. which is the current representative or was the representative of a party to the relevant agenda;
  5. Where the member has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within the recent five years in the business of a party to the relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.;
  6. Where the member currently belongs to or has belonged within the recent five years to a corporation, organization, etc. which has provided counselling or advisory services at the request of a party to the relevant agenda or has directly involved within the recent five years in the business of a party to the

relevant agenda in partnership or in any other form with a party to the relevant agenda in performing research, service, etc.

(7) If any Committee member falls under any subparagraph of paragraph (6), he/she shall voluntarily refrain from the deliberation and resolution on the relevant agenda. <Newly Inserted by Presidential Decree No. 28642, Feb. 13, 2018>

(8) Where the chairperson is unable to perform his/her duties due to extenuating circumstances, a person nominated by the chairperson shall perform such duties on behalf of the chairperson.

(9) Where a public official member is unable to attend the Committee's meeting due to extenuating circumstances, any other public official (referring to a public official nominated by the chairperson when the relevant post remains vacant) who is nominated by the public official member may attend the Committee's meeting to act on behalf of such member.

(10) The Committee's meetings shall open with the attendance of a majority of the total members on the register roll and pass resolutions with the concurrent vote of a majority of those present.

(11) The Committee shall have one secretary charged with administrative affairs and the secretary shall be nominated by the chairperson from among the public officials of Grade V or higher in their ranks who work for the Korea Customs Service or the public officials in general service who are members of the Senior Executive Service. <Amended by Presidential Decree No. 19513, Jun. 12, 2006>

(12) The Commissioner of the Korea Customs Service may commission persons active in the related academic community, research institutes or associations, etc. to act as advisory members in order to smoothly hold the Committee's meetings and hear their opinions on the work of confirming the country of origin of goods that is put on the agenda of such meetings.

(13) Where non-public official members and advisory members attend the Committee's meetings, they may be paid travel expenses and allowances within budgetary limits.

(14) Except as expressly provided for in paragraphs (1) through (13), matters necessary for composing and operating the Committee shall be determined by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 28642, Feb. 13, 2018>

#### **Article 236-5 (Entrustment of Collection and Analysis of Information on Country of Origin)**

(1) Business affairs with which the Commissioner of the Korea Customs Service may entrust a corporation or the head of an organization pursuant to Article 233-2 (2) of the Act shall be as follows: <Amended by Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 27300, Jun. 30, 2016>

1. Building and operating systems for the management of information on country of origin;
2. Among affairs of documentary investigation or on-site investigation referred to in Articles 17 (1) and 18 (1) of the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements, matters that require expertise such as manufacturing process analysis, transaction type analysis, the classification of goods, added value calculation, etc.;
3. Matters relating to preliminary investigation of advance rulings under Article 31 of the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements, and under treaties

and agreements;

4. Matters relating to preliminary investigation on the prior confirmation under Article 236-2;

5. Matters relating to the analysis of data on exported or imported goods requiring the confirmation, determination, or certification of the country of origin, or on an exporter or importer of such goods, etc.;

6. Other matters determined and publicly announced by the Commissioner of the Korea Customs Service.

(2) The Commissioner of the Korea Customs Service shall designate and publicly notify a corporation of the head of an organization, to whom the business affairs referred to in paragraph (1) may be entrusted, from among corporations or the heads of organizations that have professionals and data-processing facilities and equipment necessary for collection of, and analysis on such information on the country of origin as the classification of goods or standards for the country of origin, which are determined by the Commissioner of the Korea Customs Service.

(3) Matters relating to orders and supervision to a corporation or the head of an organization to whom the business affairs may be entrusted under paragraph (2).

#### **Article 236-6 (Data, etc. to Confirm Certificates of Origin)**

(1) "Data prescribed by Presidential Decree" in the former part of Article 232-2 (2) of the Act means the data pursuant to the classification falling under each of the following subparagraphs within three years from the date when an export declaration is accepted:

1. Data in the following items submitted by a producer of the exported goods;

(a) Documents provided to an exporter in order to prove the country of origin of the relevant goods;

(b) Contract on the supply of goods with an exporter;

(c) Import declaration completion certificate of raw materials used in the production of the relevant goods (limited to cases where an import declaration is filed in the name of the producer);

(d) Evidential documents related to production or purchase of the relevant goods and raw materials;

(e) Statement of costs, details of raw materials and statement of process;

(f) Ledger of management of incomings and outgoings and inventory of the relevant goods and raw materials;

(g) Documents prepared and provided to a producer by a person who supplies or produces the materials used in the production of the relevant goods in order to prove the country of origin of the relevant materials;

(h) Application documents for issuance of the certificate of origin (including electronic documents and limited to cases where a producer is issued the certificate of origin);

2. Data in the following items submitted by an exporter:

(a) A certificate of origin provided to an importer of a country which imports the goods for which the certificate of origin has been issued (including its electronic document);

(b) Export declaration completion certificate;



(c) Contracts related to export transaction;

(d) Application documents for issuance of the certificate of origin (including electronic documents and limited to cases where an exporter is issued the certificate of origin);

(e) Documents referred to in subparagraph 1 (a) through (f) (limited to cases where an exporter is issued the certificate of origin);

3. Data in the following items submitted by a person who has issued the certificate of origin:

(a) A certificate of origin issued (including its electronic document);

(b) Application documents for issuance of the certificate of origin (including electronic documents);

(c) Other data that has been kept by the issuing authority and is deemed necessary for confirmation of the country of origin.

(2) "Persons prescribed by Presidential Decree" in Article 232-2 (2) 3 of the Act means a producer or an exporter of the relevant exported goods.

#### **Article 236-7 (Request for Confirming Certificates of Origin, etc. of Imported Goods)**

Where the head of a customs office makes a request for the confirmation of the authenticity, etc. of a certificate of origin and supporting documents for the certificate of origin pursuant to Article 233 (1) of the Act, he/she shall send a written request stating the following matters together with documents required to confirm the country of origin, such as a copy of the certificate of origin and an invoice collected from the importer or a person subject to investigation:

1. Reasons why he/she has a doubt about the authenticity, etc. of a certificate of origin and supporting documents for the certificate of origin, and matters on which he/she makes a request for confirmation;
2. Criteria for determination of the country of origin applied to the relevant goods.

#### **Article 236-8 (Procedures for Investigating Certificate of Origin, etc. of Exported Goods)**

(1) A field investigation under Article 233 (3) of the Act may be conducted when it is impracticable to confirm the authenticity, accuracy, etc. of a certificate of origin and supporting documents for the certificate of origin by the written investigation only or additional confirmation is necessary. <Amended by Presidential Decree No. 28642, Feb. 13, 2018>

(2) Where the head of a customs office conducts a written or field investigation, he/she shall give a written notice of the matters prescribed by Ordinance of the Ministry of Strategy and Finance to the person subject to investigation at least seven days prior to the commencement of investigation.

(3) Articles 114 (2) and 115 shall apply mutatis mutandis to matters on request for postponing the investigation and notice of result of investigation.

(4) A person subject to investigation who has an objection to the result of investigation may submit the application stating the matters falling under each of the following subparagraphs together with the data to confirm the contents of objection within 30 days from the date of receiving the result of investigation to the head of a customs office:

1. Name and address or residence of a person who raises an objection;

2. Date of receiving the notice on result of investigation under paragraph (3) and contents of decision on investigation;
3. Name, standard, purpose of use, exporter, producer and importer of the relevant goods;
4. Summary and contents of the objection.

(5) The head of a customs office shall complete the examination within 30 days from the date of receiving the objection under paragraph (4) and notify the contents of decision.

(6) Where there are any defects in the contents of the objection or procedures for raising the objection under paragraph (4), the head of a customs office may request a revision thereof within the limit of 20 days in a document stating the matters falling under each of the following subparagraphs: Provided, That where the matters to be revised are minor, the head of a customs office may revise them ex officio:

1. Matters to be revised;
2. Grounds for requesting the revision;
3. Period during which the revision is made;
4. Other necessary matters.

(7) Period during which the revision is made under the main sentence of paragraph (6) shall not be included in the period of determination under paragraph (5).

#### **Article 236-9 (Council of Agencies Controlling Violation of Origin Labeling)**

(1) "Matters prescribed by Presidential Decree, including the exchange of information necessary for controlling the violation of origin labeling" prescribed in Article 233-3 (1) of the Act" means the following matters:

1. Matters concerning the exchange of information necessary for the control of violation of original labeling;
2. Matters concerning the exchange of human resources related to the control of violation of original labeling;
3. Other matters referred to in a meeting by the Chairperson relating to the control of violation of original labeling.

(2) The Council of Agencies Controlling Violation of Origin Labeling under Article 233-3 (1) of the Act (hereafter referred to as the "Council" in this Article) shall be comprised of not more than 25 members, including one chairperson.

(3) A person designated by the Commissioner of the Korea Customs Service from among public officials belonging to the Senior Executive Service of the Korea Customs Service shall be the chairperson of the Council, and the following persons shall be the member thereof:

1. One director-level public official designated by the Commissioner of the Korea Tax Service;
2. One director-level public official belonging to the National Agricultural Products Quality Management Service designated by the Minister of Agriculture, Food and Rural Affairs;
3. One director-level public official belonging to the National Fishery Products Quality Management Service designated by the Minister of Agriculture, Food and Rural Affairs;

4. One director-level public official designated by a Special Metropolitan City Mayor, a Metropolitan City Mayor, the Mayor of a Special Self-Governing City, a Do Governor, and the Governor of a Special Self-Governing Province.

(4) The Chairperson shall represent the Council and exercise overall control over the affairs thereof: Provided, That where the Chairperson is unable to perform his/her duties due to any extenuating circumstances, a person designated by the Chairperson beforehand shall act on behalf of the chairperson.

(5) Meetings of the Council shall be classified into the regular meetings and extraordinary meetings; the regular meetings shall be convened semiannually, while the extraordinary meetings shall be convened where deemed necessary by the chairperson.

(6) The Chairperson shall convene and preside over a meeting of the Council.

(7) The resolution of a meeting of the Council shall require the attendance of a majority of all the incumbent members and the affirmative vote of at least two thirds of those present at the meeting.

(8) In order to carry out the affairs of the Council, the Council shall have one secretary who shall be a public official of Grade V belonging to the Korea Customs Service.

(9) Except as otherwise provided for in paragraphs (1) through (8), matters necessary for the operation of the Council shall be prescribed by the Chairperson following resolutions of the Council.

#### **Article 237 (Report on Intellectual Property Right)**

(1) Any person who intends to report, under Article 235 (2) of the Act, intellectual property right (hereinafter referred to as "intellectual property right") under each subparagraph of Article 235 (1) of the Act, shall file a report with the head of the relevant customs office, stating the following matters, accompanied by evidentiary documents for relevant intellectual property right registered or registered for its establishment under the relevant statutes: *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 21634, Jul. 22, 2009; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 27952, Mar. 27, 2017>*

1. The person entitled to use the intellectual property right;
2. Details and scope of the intellectual property right;
3. The exporter, importer or exporting and importing country which possibly infringes on trademark rights;
4. Matters necessary to confirm an infringement.

(2) Procedures and period for reporting intellectual property right, and other necessary matters shall be determined and publicly notified by the Commissioner of the Korea Customs Service. *<Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017>*

#### **Article 238 (Request for Withholding Customs Clearance, etc.)**

Any person who intends to request the withholding of customs clearance or custody (hereinafter referred to as "withholding of customs clearance, etc.") in accordance with Article 235 (3) and (4) of the Act shall file an application stating the matters falling under each of the following subparagraphs and a document attesting that he/she is a rightful person under relevant statutes with the head of the relevant customs

office: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>

1. The name, exporter, importer and exporting and importing country;
2. Details and scope of the intellectual property right;
3. Reasons for the request;
4. Matters necessary to prove the fact of infringement.

**Article 239 (Withholding of Customs Clearance, etc.)**

(1) The head of the relevant customs office shall, when goods falling under any of each subparagraph of paragraph (3) against which a request is filed for withholding the customs clearance, etc. under Article 235 (3) and (4) of the Act are deemed to infringe the intellectual property right, withhold the customs clearance, etc. for the relevant goods: Provided, That where a person holding the intellectual property right consents to the customs clearance or release of custody of the relevant goods, such customs clearance or release of custody may be granted as prescribed by the Commissioner of the Korea Customs Service.

<Amended by Presidential Decree No. 22816, Apr. 1, 2011>

(2) If the head of the relevant customs office withholds any customs clearance, etc. under Article 235 (5) and (7), he/she shall notify such fact to persons who have filed export or import declaration, transshipment or multi-transshipment declaration, report on shipment of goods into bonded area, report on bonded transportation or declaration for temporary unloading under subparagraph 1 of Article 141 of the Act (hereinafter referred to as "export or import declaration, etc.") and persons holding intellectual property right of the fact of withholding customs clearance, etc. and each of the following matters: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>

1. The names and addresses of a person who has filed an export or import declaration, etc. and consignees;
2. The quantities, and characteristics and conditions of goods subject to withholding of customs clearance, etc.;
3. Place of origin, etc. and other necessary matters.

(3) Where a person who has filed a request for withholding the customs clearance, etc. of the relevant goods proves the fact that he/she has instituted a lawsuit to the court or the fact that he/she has filed an investigation application with the Trade Committee within ten days (excluding any holiday or any legal holiday; hereafter the same shall apply in this paragraph) from the day on which he/she is notified of the fact of the withholding of customs clearance, etc. for the relevant goods under paragraph (2), the head of the relevant customs office may continue withholding the customs clearance, etc. for the relevant goods. In such cases, if the person who has filed the request for withholding the customs clearance, etc. fails to institute a lawsuit to the court or to file an investigation application with the Trade Committee within ten days for unavoidable reasons, the period for proving the fact may be extended for ten days. <Amended by Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 27952, Mar. 27, 2017>

(4) Notwithstanding paragraph (3), if the withholding, etc. of the customs clearance is executed or continued by a provisional protective measure taken by the court, the withholding period of the customs

clearance shall be determined by the classification falling under each of the following subparagraphs:  
<Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. If the court specifies the period for provisional protection measure: The last day;

2. If the court does not specify the period for provisional protection measure: 31 days from the day on which the provisional protection measure commences.

(5) Any withholding of customs clearance, etc. under Article 235 (7) of the Act shall be made by a document in which the fact of violation and the declaration number, name, quantity, etc. of the goods subject to withholding of customs clearance, etc. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

(6) Any goods for which customs clearance is withheld, etc. under Article 235 (5) of the Act and paragraph (7) of the same Article shall be kept in a place designated by the head of the relevant customs office until customs clearance thereof is granted or its custody is released. <Amended by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

#### **Article 240 (Request for Customs Clearance or Release of Custody for Good Whose Customs Clearance is Withheld, etc.)**

(1) Where a person who has filed an export or import declaration, etc. intends to request the customs clearance or release of custody of the goods in accordance with the proviso to Article 235 (5) of the Act, he/she shall file an application with the head of the relevant customs office, along with evidentiary documents explaining that the relevant goods have not infringed on any intellectual property right, as prescribed by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>

(2) The head of the relevant customs office shall, upon receiving the request referred to in paragraph (1), notify without delay the person who has requested the withholding of the customs clearance thereof, etc. of the fact of such request and the person may, upon receiving such notification, furnish evidential materials relating to the infringement to the head of the relevant customs office. <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

(3) The head of the relevant customs office shall, upon receiving the request referred to in paragraph (1), determine whether customs clearance or release of custody of the goods should be accepted, within fifteen days from the day on which the request for customs clearance is made. In such cases, the head of the relevant customs office may make such decision after consulting with agencies concerned or hearing opinions of experts. <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

#### **Article 241 (Offering of Security, etc.)**

(1) Each person who intends to request the suspension or withholding of customs clearance pursuant to Article 235 (3) and (4) of the Act, and each person who intends to request customs clearance or release from custody pursuant to the proviso to Article 235 (5) of the Act, with the exception of its subparagraphs, shall offer security in an amount equivalent to 120/100 of the customs value of the relevant goods to the head of the relevant customs office with money, etc. under Article 24 (1) 1 through 3 and 7 of the Act.

*<Amended by Presidential Decree No. 24373, Feb. 15, 2013>*

(2) Where a person who shall offer security is a small or medium enterprise under Article 5 (1) of the Restriction of Special Taxation Act, the amount of security under paragraph (1) shall be the amount equivalent to 40/100 of the customs value of the relevant goods. *<Amended by Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 26089, Feb. 6, 2015>*

(3) Each person, who provides security under paragraph (1) or (2), shall submit to the head of the relevant customs office, a document stating that such security may be used to compensate for any damage inflicted on any person who has filed an export or import declaration or any person who has requested the withholding of customs clearance, etc. *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

(4) Where the head of the relevant customs office allows the customs clearance of the goods, the customs clearance of which is withheld, etc. or releases custody thereof under Article 235 (3) and (4) of the Act or continues withholding customs clearance, etc. despite a request for such customs clearance or release from custody under the proviso to Article 235 (5) of the Act, he/she shall return the security to the person who has provided such security under paragraph (1) or (2). *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

(5) Articles 11 and 13 shall apply mutatis mutandis to an application for releasing the security provided for in paragraphs (1) and (2) and the blanket security.

#### **Article 242 (Confirmation, etc. of Infringement on Intellectual Property Right)**

(1) When the head of the relevant customs office deems it necessary to determine whether the intellectual property right of the goods on which an export or import declaration, etc. has been filed is infringed on, he/she may request the holder of such intellectual property right to provide professionals specializing in intellectual property right or test facilities. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

(2) Where any holders of intellectual property right or any persons who have filed an export or import declaration, etc. make requests to inspect or take a sample of goods, the export or import declaration, etc., of which is notified under the main sentence of Article 235 (3) of the Act or the goods subject to withholding of customs clearance, etc. under the main sentence of Article 235 (5) of the Act, to determine whether their intellectual property right is infringed on, the head of the relevant customs office shall comply with their request unless special grounds, such as the protection of business secrets regarding such goods, exist. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

(3) Matters necessary for the confirmation of infringement on intellectual property right and for procedures for withholding customs clearance, etc., shall be determined by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

#### **Article 243 (Exclusion of Application)**

@Article 235 (1) of the Act shall not apply to goods which are travelers' personal effects exported or imported in small quantity not for commercial purpose but for personal use. <Amended by Presidential Decree No. 26089, Feb. 6, 2015>

#### **Article 244 (Withholding Customs Clearance)**

"Cases prescribed by Presidential Decree" in subparagraph 6 of Article 237, means where a charge is brought or investigation is conducted on suspicion of violation of any other statutes related to customs duties. <Amended by Presidential Decree No. 27952, Mar. 27, 2017>

#### **Article 245 (Order of Inbound Shipping)**

(1) Where goods on which an export declaration or import declaration is accepted fall under any of the following subparagraphs, the Commissioner of the Korea Customs Service or the head of the relevant customs office may order the shipment of such goods into a bonded area under Article 238 (1) of the Act: Provided, That the same shall not apply to cases where three months have elapsed since the export declaration or the import declaration of the relevant goods is accepted or the head of an administrative agency takes corrective measures with respect to such goods in accordance with related statutes: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 27952, Mar. 27, 2017>

1. Where the obligation as prescribed in Article 227 of the Act is not fulfilled;
2. Where the country of origin as prescribed in Article 230 of the Act is not legally labeled or is labeled differently from the time that an export or import declaration thereon is accepted;
3. Where a label on the quality, etc. referred to in Article 230-2 of the Act (including placement of a mark; hereafter the same shall apply in this subparagraph) is not legitimately placed or is placed differently from the one placed at the time of acceptance of the export or import declaration;
4. Where an intellectual property right is infringed upon.

(2) The Commissioner of the Korea Customs Service or the head of the relevant customs office shall, where he/she orders the shipment of goods into a bonded area under paragraph (1), deliver a written order stating the goods subject to such shipment, a bonded area to which such goods are shipped, reasons for the shipment and a time limit for the shipment to the owner of the goods and a person who has filed an export declaration or an import declaration.

(3) The Commissioner of the Korea Customs Service or the head of the relevant customs office may, when the domicile or residence of a person to receive the written order is unidentifiable, publish matters concerning the shipment order in the bulletin board of the Korea Customs Service or the relevant customs office, or in a proper place. In such cases, the written order shall be deemed delivered to the person to receive at the expiration of two weeks from the day on which the publication is made.

(4) Any person who receives the written order under paragraph (2) or (3) shall ship the goods which fall under each subparagraph of paragraph (1) and are stated in the written order into a designated bonded area within a time limit fixed by the Commissioner of the Korea Customs Service or the head of the relevant customs office: Provided, That if the grounds exist that make it impracticable to ship the goods into the

designated bonded area within the time limit, the time limit may be extended upon approval of the Commissioner of the Korea Customs Service or the head of the relevant customs office.

(5) The head of the relevant customs office may order the person who ships the goods into the bonded area on order under paragraph (4) to return, or dispose of the goods, or ship the goods out of the bonded area after supplementing and correcting the goods. In such cases, the cost involved in returning or disposing of the goods shall be borne by the person who is ordered to do so.

(6) Where the goods shipped into the bonded area under paragraph (4) are returned or disposed of under paragraph (5), the acceptance of the original export declaration or the original import declaration shall be deemed cancelled.

(7) The provisions of Articles 46 and 48 of the Act shall apply mutatis mutandis to the goods which are returned or disposed of under paragraph (5).

(8) The Commissioner of the Korea Customs Service may set detailed standards for a bonded area to which the relevant goods are shipped, shipment period, shipment procedures and the method of administering export and import declaration completion certificates, etc.

#### **Article 245-2 (Organization of Trade Facilitation Committee)**

(1) In order to deliberate on the following matters concerning the facilitation of import and export procedures, including customs clearance, and the promotion of international cooperation related thereto under Article 240-4 of the Act (hereinafter referred to as "trade facilitation"), a trade facilitation committee (hereafter referred to as the "Committee" in this Article and Article 245-3) shall be established under the control of Minister of Strategy and Finance:

1. Matters concerning the master plans for trade facilitation;
2. Matters concerning the cooperation in the business affairs among administrative agencies related to trade facilitation;
3. Matters concerning the modification and improvement of the statutes related to trade facilitation and systems for trade facilitation;
4. Other important matters related to the promotion of trade facilitation.

(2) The Committee shall consist of not more than 20 members, including one chairperson.

(3) The Vice Minister of Strategy and Finance shall serve as the chairperson of the Committee, and the following persons shall be the members thereof:

1. Persons appointed by the Minister of Strategy and Finance from among the public officials who belong to the Senior Executive Service of administrative agencies related to trade facilitation;
2. Persons commissioned by the Minister of Strategy and Finance from among the following persons:
  - (a) Executive officers and/or employees of institutions or organizations related to trade facilitation;
  - (b) Persons with considerable knowledge and experience in trade facilitation, who have been engaged in the relevant affairs for not less than two years.

(4) The term of office of each member referred to in paragraph (3) 2 shall be two years and may be renewed only once: Provided, That a member appointed to fill a vacancy occurring before the expiration



of the term for which his/her predecessor was appointed, shall serve for the remainder of such term.  
<Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017; Presidential Decree No. 28642, Feb. 13, 2018>

(5) When any member of the Committee falls under any of the following, the Minister of Strategy and Finance may remove or dismiss such member: <Newly Inserted by Presidential Decree No. 27952, Mar. 27, 2017>

1. Where the member becomes incapable of performing his/her duties due to a physical or mental disorder;
2. Where the member engages in misconduct in connection with his/her duties;
3. Where the member is deemed unsuitable as a member due to neglect of a duty, loss of dignity, or on any other reason;
4. Where the member voluntarily admits that it is difficult for him/her to perform his/her duties.

(6) In order to handle administrative affairs of the Committee, it shall have one executive secretary appointed by the Minister of Strategy and Finance from among the public officials belonging to the Senior Executive Service of the Ministry of Strategy and Finance.

(7) Except as expressly provided for in paragraphs (1) through (6), necessary matters concerning the organization of the Committee shall be prescribed by Ordinance of the Ministry of Strategy and Finance.  
<Amended by Presidential Decree No. 27952, Mar. 27, 2017>

#### **Article 245-3 (Operation of Committee)**

- (1) The chairperson of the Committee shall convene meetings of the Committee and preside over them.
- (2) Where the chairperson of the Committee is unable to perform his/her duties due to any extenuating circumstances, a member designated by the chairperson in advance shall perform his/her duties on his/her behalf.
- (3) In order to convoke a meeting of the Committee, the date and time, venue, and agenda of the meeting shall be notified to each member in writing by not later than seven days before holding it: Provided, That where any emergency situation or extenuating circumstance exists, such notification may be made verbally by not later than the immediately preceding date of the meeting.
- (4) Meetings of the Committee shall commence with the attendance of a majority of incumbent members and a resolution shall be adopted by the affirmative vote of a majority of those present.
- (5) Where necessary for the performance of its duties, the Committee may have experts or public officials with professional knowledge and experience in the related fields be present at its meetings and state their opinions.
- (6) Members of the Committee or experts in the related field who have attended the Committee's meetings may be paid allowances and travel expenses within the budgetary limits: Provided, That a public official shall not be reimbursed with allowances and travel expenses if he/she is present at the Committee's meetings in direct connection with his/her competent duties.
- (7) Except as expressly provided for in paragraphs (1) through (6), necessary matters concerning the operation of the Committed shall be prescribed by Ordinance of the Ministry of Strategy and Finance.

#### **Article 245-4 (Countries subject to Application of Simplified Customs Clearance Procedures)**

(1) Countries subject to the application of simplified customs clearance procedures under Article 240-5 of the Act (hereinafter referred to as "special cases of customs clearance procedures") shall be as follows:

1. Countries with which the Republic of Korea has entered into treaties on the conveniences of customs clearance procedures;
  2. Countries with which the Republic of Korea has entered into trade agreements, etc.
- (2) Procedures for recognizing special cases of customs clearance procedures, suspension of recognition of special cases, and other necessary matters shall be determined and publicly notified by the Commissioner of the Korea Customs Service.

#### **Article 245-5 (Exchange of Export and Import Declaration Data, etc.)**

(1) "Matters prescribed by Presidential Decree, such as export and import declaration data" in Article 240-6 (3) of the Act means any of the following matters:

1. The following materials concerning declarations on export, import or return:
    - (a) Written declarations;
    - (b) Materials submitted when filing declarations, such as invoices, packing lists, certificates of origin, and bills of lading;
    - (c) Materials necessary to verify the authenticity of the documents or materials referred to in items (a) and (b);
  2. Materials necessary to determine the customs value of the relevant goods under Articles 30 through 35 of the Act and to verify the accuracy of the tariff classification specified in the Schedules of Tariff Rates;
  3. Materials concerning the shipping-in and shipping-out of goods which are prohibited from export or import under Article 234 or 235 of the Act;
  4. Materials concerning the investigation of and disposition on customs offenders under Articles 283 through 318 of the Act.
- (2) Upon exchanging the export and import declaration data referred to in paragraph (1) 1 with another country, the Commissioner of the Korea Customs Service shall, under Article 240-6 (5) of the Act, notify the fact, details, etc. of the exchange of materials to the relevant declarant or his/her agent within 10 days from the date of exchange.
- (3) Notwithstanding paragraph (2), where the relevant notification causes the occurrence of any of the following cases, the Commissioner of the Korea Customs Service may postpone the notification within the limit of six months: Provided, That in cases falling under subparagraph 1, he/she may postpone it for more than six months:

1. Where it is likely to threaten the safety of human life or body;
2. Where it is likely to impede the progress of fair judicial proceedings, such as destroying evidence;
3. Where it is likely to impede or excessively delay the progress of such administrative proceedings as inquiry, investigation, etc.;

4. Where a request for postponement of the relevant notification is received from any other country.

#### **Article 246 (Declaration on Export, Import or Return)**

(1) "Matters prescribed by Presidential Decree" in Article 241 (1) of the Act means the following matters: <Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 26089, Feb. 6, 2015; Presidential Decree No. 26957, Feb. 5, 2016>

1. The kind, identification number and number of packages;
2. The destination, the country of origin and the place of loading;
3. In cases of goods required to be labelled with the country of origin, whether such goods are labeled with the country of origin, the method of labelling goods and the form of such labels;
4. The trademark;
5. The trade name (in cases of an individual, referring to his/her name) of a person liable for duty payment or the owner of goods, business registration number, customs clearance code and overseas supplier code or overseas buyer code;
6. The place where goods are stored;
7. Other reference matters prescribed by Ordinance of the Ministry of Strategy and Finance.

(2) Each person, who intends to file a declaration on export, import or return under Article 241 (1) of the Act, shall file a declaration on export, import or return prescribed by Ordinance of the Ministry of Strategy and Finance with the head of the relevant customs office: <Amended by Presidential Decree No. 26957, Feb. 5, 2016>

1. and 2. Deleted. <by Presidential Decree No. 26957, Feb. 5, 2016>

(3) The values under Article 241 (1) of the Act shall be classified as follows: <Amended by Presidential Decree No. 29530, Feb. 12, 2019>

1. Values declared for export or return: The price actually received or to be received on condition of delivering the relevant goods on board, which shall include freight and insurance for delivery to the final port of shipment or place of shipment;
2. Values declared for import: The customs values determined pursuant to Articles 30 through 35 of the Act.

(4) The goods on which the declaration is omitted under Article 241 (2) of the Act shall be as follows: Provided, That the goods falling under Article 226 of the Act shall be excluded herefrom: <Amended by Presidential Decree No. 28642, Feb. 13, 2018>

1. Travelers' personal effects provided for in Article 96 (1) 1 of the Act;
2. Crew members' personal effects provided for in Article 96 (1) 3 of the Act;
3. Postal materials (excluding those falling under Article 258 (2) of the Act);
4. Containers used for international transportation (limited to the goods whose basic tariff rate is zero in accordance with the attached Schedules of Tariff Rates);
5. Consignments and unaccompanied goods, including documents and low-priced and duty-free goods, etc., prescribed by the Commissioner of the Korea Customs Service as necessary to expedite customs

clearance.

(5) With respect to goods whose customs duties are exempted or free of customs duties among the imported goods prescribed in Article 241 of the Act, the import declaration thereon shall be deemed accepted as at the time the inspection thereof is completed.

(6) In filing an export declaration under Article 241 (2) of the Act, when the price indicated in a foreign currency is converted into the won currency to calculate an export declaration value, the rate thereof shall be prescribed by the Commissioner of the Korea Customs Service by averaging foreign exchange rates of the week preceding the week in which the date on which an export declaration is accepted.

(7) "Goods prescribed by Presidential Decree" in the former part of Article 241 (6) of the Act, means as follows: <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 26089, Feb. 6, 2016>

1. Electricity;
2. Gas;
3. Oil;
4. Water.

(8) "Power lines, pipes or those similar thereto prescribed by Presidential Decree" in the former part of Article 241 (6) of the Act, means the whole facilities designed and manufactured to be suitable for supplying the goods referred to in paragraph (6), such as electric wires, pipes, etc. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

(9) Paragraphs (1) and (2) shall apply mutatis mutandis to the export, import and return under Article 214 (6) of the Act. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

#### **Article 247 (Additional Duty Rate)**

(1) The amount of an additional duty prescribed in Article 241 (4) of the Act shall be calculated based on the following rates:

1. 5/1,000 of the customs value of the relevant goods, when a declaration thereon is filed within 20 days from the date on which the deadline provided for in Article 241 (3) of the Act expires (hereafter referred to as "declaration deadline" in this Article);
2. 10/1,000 of the customs value of the relevant goods, when a declaration thereon is filed within 50 days from the date on which the declaration deadline expires;
3. 15/1,000 of the customs value of the relevant goods, when a declaration thereon is filed within 80 days from the date on which the declaration deadline expires;
4. 20/1,000 of the customs value of the relevant goods, except as expressly provided for in subparagraphs 1 through 3.

(2) The amount of an additional duty calculated under paragraph (1) shall not exceed five million won. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

(3) With respect to the goods that has been transported in a bonded manner after the expiration of the deadline, the additional duty rate referred to in paragraph (1) shall be applied to such goods based on the

time that a declaration is filed on such bonded transportation and the amount of such additional duty shall be collected at the time an import declaration or a return declaration is filed.

(4) "Cases falling under any ground prescribed by Presidential Decree, such as where voluntary declarations have not been filed repeatedly" in the part other than subparagraphs of Article 241 (5) of the Act means where additional duties have been collected from the same traveler or crew member twice or more often for the reason prescribed in Article 241 (5) 1 of the Act within two years retroactively from the date of entry of the relevant traveler or crew member. <Newly Inserted by Presidential Decree No. 26089, Feb. 6, 2015>

#### **Article 248 (Goods subject to Additional Duty)**

Goods on which the additional duty prescribed in Article 241 (4) of the Act is collected shall be those prescribed by the Commissioner of the Korea Customs Service in consideration of the kind of the bonded area and the characteristics of the relevant goods as he/she deems it urgent to distribute such goods promptly.

#### **Article 248-2 (Goods, etc. subject to Export Declaration after Shipment into Bonded Areas)**

(1) "Goods prescribed by Presidential Decree" in Article 243 (4) of the Act means any of the following goods determined and publicly notified by the Commissioner of the Korea Customs Service:

1. Goods which need export management to protect the property rights of people, such as goods with high risk of theft;
2. Goods with high risk of fraudulent refund, such as goods exported after being manufactured and processed with raw materials subject to high tariff-rates.

(2) Notwithstanding paragraph (1), goods to be exported by an authorized economic operator referred to in Article 255-2 of the Act, may be excluded from the goods subject to filing an export declaration after bringing them into the place designated by the Commissioner of Korea Customs Service pursuant to Article 243 (4) of the Act (hereafter in this Article referred to as "goods subject to declaration after bringing in").

(3) Procedures for bringing in goods subject to declaration after bringing in and other necessary matters shall be determined and publicly notified by the Commissioner of the Korea Customs Service.

#### **Article 249 (Import Declaration Prior to Entry to Port)**

(1) An import declaration prescribed in Article 244 (1) of the Act may be filed five days (one day in cases of aircraft) before a vessel or an aircraft laden with the relevant goods enters a port or airport of Korea after having departing the port or the airport where such goods are loaded.

(2) In cases of a short departure-entry period, if it is deemed impractical to file a declaration after the departure of the relevant vessel, etc. and that it becomes necessary to file such declaration prior to the departure, the declaration period therefor may be adjusted otherwise as prescribed by the Commissioner of the Korea Customs Service.

(3) Notwithstanding paragraph (1), an import declaration on goods falling under any of the following subparagraphs shall be filed after the vessel, etc. loaded with such goods arrives in Korea: <Amended by

*Presidential Decree No. 20624, Feb. 22, 2008*>

1. Goods, to which any statute requiring new requirements for imports have been, or will be applied, or on which tariff rates have increased;
2. Goods, prescribed by the Commissioner of the Korea Customs Service, whose nature and quantity show a difference between the time that an import declaration thereon is filed and the time that they arrive in Korea.

**Article 250 (Documents to be Appended)**

(1) "Documents prescribed by Presidential Decree" in Article 245 (1) of the Act means the documents falling under each of the following subparagraphs: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. A copy of the bill of lading or the copy of the airway bill;
2. A certificate of origin (limited to cases where it is applied in Article 236 (1));
3. Other reference documents.

(2) Where the goods on which an export declaration or an import declaration needs to be filed require the certificate as prescribed in Article 226 of the Act, the export declaration or the import declaration, appended by related evidential documents, shall be filed: Provided, That such evidential documents may be omitted when the head of the relevant customs office deems them unnecessary.

**Article 251 (Inspection of Goods for Customs Clearance)**

(1) With respect to the goods on which a declaration as prescribed in Article 241 (3) of the Act is not filed, the head of the relevant customs office may get such goods inspected ex officio as prescribed by the Commissioner of the Korea Customs Service.

(2) Where the declarer as prescribed in Article 241 (1) of the Act applies for participating in the inspection referred to in paragraph (1) or the declarer's participation is deemed necessary, the head of the relevant customs office may prescribe the date, place and method, etc. and then notify the declarer that he/she is allowed to participate in such inspection.

**Article 251-2 (Compensation for Damage Occurred during Inspection of Goods)**

An amount of compensation for damage under Article 246-2 (1) of the Act shall be classified as follows:

1. Where it is impossible to repair the relevant goods: An amount equivalent to the customs value of the relevant goods referred to in Articles 30 through 35 of the Act;
2. Where it is possible to repair the relevant goods: An amount equivalent to the repairing cost: Provided, That it shall not exceed the amount prescribed in subparagraph 1.

**Article 251-3 (Composition, Organization, etc. of Council of Institutions Engaging in Safety and Security Management Program of Exported and Imported Goods)**

(1) "Matters prescribed by Presidential Decree, such as exchange of information necessary for safety inspections" in Article 246-3 (7) of the Act, means the following matters: *<Amended by Presidential Decree No. 28642, Feb. 13, 2018>*

1. Exchange of information necessary for safety inspections under Article 246-3 (1) of the Act (hereinafter referred to as "safety inspections");

2. Matters concerning selection of goods subject to safety inspections;
3. Other matters that the Commissioner of the Korea Customs Service deems necessary in connection with safety inspections.

(2) Any council of institutions engaging in the safety and security management program of exported and imported goods under Article 246-3 (7) of the Act (hereafter referred to as "council" in this Article) shall be comprised of not more than 25 members, including one chairperson. <Amended by Presidential Decree No. 28642, Feb. 13, 2018>

(3) The chairperson of a council shall be appointed by the Commissioner of the Korea Customs Service from among public officials who are members of the Senior Executive Service of the Korea Customs Service, and the following members shall serve as the council members:

1. One person appointed by the Commissioner of the Korea Customs Service from among at least Grade-4 public officials of the Korea Customs Service;
2. Each one person appointed by the head of a central administrative agency from among at least Grade-4 public officials of the relevant agency.

(4) A person who has appointed a council member under paragraph (2) may withdraw the appointment, if the relevant member falls under any of the following:

1. Where the member becomes incapable of performing his/her duties due to mental disorder;
2. Where the member engages in misconduct in connection with his/her duties;
3. Where the member is deemed unsuitable as a member due to neglecting duties, loss of dignity, or any other reason;
4. Where the member voluntarily admits that it is difficult for him/her to perform his/her duties.

(5) A majority of the members of a council shall constitute a quorum, and any decision thereof shall require the concurrent vote of at least 2/3 of those present.

(6) Except as otherwise expressly provided for in paragraphs (1) through (5), matters necessary for the operation of a council shall be determined by the chairperson, following resolution of the council.

#### **Article 252 (Offer of Security)**

"A person who has difficulty in securing claims on customs duties prescribed by Presidential Decree" in Article 248 (2) 5 of the Act means a person falling under any of the following subparagraphs:

1. A person who does not have any import performance for the last two years;
2. A person who is in the process of bankruptcy, liquidation or rehabilitation;
3. A person falling under the requirements prescribed by the Commissioner of the Korea Customs Service, who has difficulty in securing claims on customs duties considering the import performance, assets, business revenue, tariff rate of imported goods, etc.

#### **Article 253 (Application for Approving Withdrawal of Declaration)**

Any person who intends to obtain approval under Article 250 (1) of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The matters of each subparagraph of Article 175;
2. The kind of declaration;
3. The date of declaration and the declaration number;
4. Reasons for the application.

**Article 254 (Notice of Rejection of Declaration)**

The head of the relevant customs office shall, when he/she rejects any declaration in accordance with Article 250 (3) of the Act, serve a notice stating the following matters on the declarer:

1. The kind of the declaration;
2. The date of declaration and the declaration number;
3. Reasons for rejecting the application.

**Article 255 (Revocation of Acceptance of Export Declaration)**

(1) The head of the relevant customs office shall revoke the acceptance of any export declaration on goods which fail to be loaded onto the transportation means plying between a foreign country and Korea under Article 251 (2) of the Act within the period for loading such goods: Provided, That the same shall not apply to cases falling under each of the following subparagraphs:

1. Where it is deemed that there is good cause for an application for approving the withdrawal of a declaration under Article 250 (1) of the Act;
2. Where it is deemed that there is good cause for an application for approving the extension of the loading period under the proviso to Article 251 (1) of the Act;
3. Where the head of the relevant customs office confirms the loading of the relevant goods before he/she revokes the acceptance of an export declaration;
4. Where the head of the relevant customs office deems it impracticable to load goods within the period prescribed in Article 251 (1) of the Act.

(2) The head of the relevant customs office shall, when he/she revokes the acceptance of any export declaration under paragraph (1), serve, without delay, a notice thereof on the declarer.

**Article 256 (Shipment of Goods out of Storage Place Prior to Acceptance of Declaration)**

(1) Any person who intends to obtain approval under Article 252 of the Act shall file an application stating the following matters with the head of the relevant customs office:

1. The matters of each subparagraph of Article 175;
2. The kind of declaration;
3. The date of declaration and the declaration number;
4. Reasons for the application.

(2) The head of the relevant customs office shall, upon receiving the application referred to in paragraph (1), grant approval under Article 252 of the Act according to the procedures prescribed by the Commissioner of the Korea Customs Service.

(3) With respect to the goods falling under each of the following subparagraphs, the provision of security under the proviso to Article 252 of the Act may be omitted: Provided, That it is possible to cause the



provision of security with respect to the goods imported by the person for whom the Commissioner of the Korea Customs Service does not deem appropriate to omit the provision of security for the reasons, such as customs duties arrearages and non-compliant reporting from among those who import the goods under subparagraphs 2 and 3: <Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011>

1. Goods imported by the State, local governments, public institutions under Article 4 of the Act on the Management of Public Institutions, local public corporations established under Article 49 of the Local Public Enterprises Act and local industrial complexes established under Article 79 of the same Act;
2. Goods imported by institutions under Article 90 (1) 1 and 2 of the Act;
3. Goods imported by an exporter who has not violated the Act (excluding a case where a person who has been punished under Articles 270, 276 and 277 of the Act and who has been deemed not to be likely to recommit crime) for last two years or a person who is assessed to have a good credit rating by the credit rating agency and who is determined by the Commissioner of the Korea Customs Service;
4. Goods deemed by the Commissioner of the Korea Customs Service not to impede securing duty claims, taking into account the nature and reasons for shipping the imported goods into storage place such as raw materials for export;
5. Goods for relocation of a person falls under the standards determined and announced by the Commissioner of the Korea Customs Service since they do not impede securing the duty claims by taking into account the freedom of residence or relocation and customs duties payable.

#### **Article 257 (Shipment of Goods out of Means of Transportation Prior to Import Declaration)**

(1) Any person who intends to immediately ship goods he/she desires to import out of the means of transportation prior to filing an import declaration thereon under Article 253 (1) of the Act shall file an application stating the name, standard, quantity and price of the relevant goods with the head of the relevant customs office.

(2) The person who may immediately ship goods out of the means of transportation and the goods which may be immediately shipped out of the means of transportation under Article 253 (1) of the Act shall be designated by the head of the relevant customs office only where there is no impediment to making a confirmation of the meeting of requirements and conditions under Article 226 (2) of the Act:

1. Facilities and equipment or raw materials imported by any manufacturer who has not defaulted in customs duties, etc. with the export record of his/her own or any foreign investor for the three preceding years;
2. Deleted; <by Presidential Decree No. 22086, Mar. 26, 2010>
3. Goods, prescribed by the Commissioner of the Korea Customs Service, the customs duties of which are not feared to default.

#### **Article 258 (Special Customs Clearance for Electronic Commerce Goods)**

The Commissioner of the Korea Customs Service may prescribe otherwise the following matters with respect to export and import of goods traded through digital documents under Article 254 of the Act:

1. Goods or companies subject to special customs clearance;
2. Methods of and procedures for filing export declarations;
3. Methods of paying customs duties, etc.;
4. Methods of inspecting goods;
5. Other matters deemed necessary by the Commissioner of the Korea Customs Service.

#### **Article 258-2 (Consignment Inspection Installations)**

(1) Where the head of a customs office clears consignments through customs at the bonded warehouse or facilities (hereafter referred to as "in-house facilities" in this Article and Articles 258-3 and 258-4) operated by a transportation business entity of consignments pursuant to the proviso to Article 254-2 (6) of the Act, the transportation business entity of consignments shall be equipped with the following inspection installations: *<Amended by Presidential Decree No. 26089, Feb. 6, 2015>*

1. X-ray scanners;
2. Automatic sorting machines;
3. A place of inspection for the exclusive use of customs officials.

(2) Detailed standards for inspection installations referred to in paragraph (1) shall be determined and publicly announced by the Commissioner of the Korea Customs Service.

#### **Article 258-3 (Procedures, etc. for Use of In-house Facilities)**

(1) A transportation business entity of consignments who intends to clear consignments through customs at its in-house facilities shall submit the following data to the head of a customs office:

1. Drawings (including layout drawings of inspection installations under the subparagraphs of Article 258-2 (1)) and a location map of the bonded warehouse or facilities where consignments are placed;
2. A document proving that consignments to be placed or cleared through customs are goods directly transported or goods the transportation of which is mediated, by the relevant transportation business entity of consignments;

3. A business plan stating the following:

- (a) The capacity of the bonded warehouse, facilities, X-ray scanners and automatic sorting machines;
- (b) Manpower planning for the operation of consignment inspection installations and data-processing facilities and equipment for sorting and management of goods subject to inspection;
- (c) Data-processing facilities and equipment for the management of carrying in and out and stock of consignments;
- (d) A plan for management of all the process of collection, customs clearance and delivery of consignments;

4. A memorandum of agreement which includes matters to be attended to, procedures, etc. to be observed at the time of customs clearance at in-house facilities;

5. Other data prescribed by the Commissioner of the Korea Customs Service in a public announcement.

(2) Where the head of a customs office deems that customs clearance at in-house facilities does not interfere with the monitoring or control of customs clearance as a result of his/her examination of data

submitted by a transportation business entity of consignments pursuant to paragraph (1), he/she shall notify the transportation business entity of consignments of the result of his/her examination in writing within 30 days from the date the transportation business entity submits data and may commence customs clearance at in-house facilities.

**Article 258-4 (Management, etc. of Operation of In-House Facilities)**

(1) Where the head of a customs office deems that customs clearance at in-house facilities interferes with the monitoring or control of customs clearance as a result of the confirmation of standards for facilities and installations, the operation conditions of in-house facilities, etc. of a transportation business entity of consignments, he/she may request the transportation business entity of consignments to supplement the relevant facilities and installations.

(2) Where a transportation business entity of consignments fails to comply with requirements under paragraph (1), the head of a customs office may temporarily suspend customs clearance at in-house facilities for not more than 30 days or close such customs clearance after notifying the transportation business entity of the reason therefor in writing.

(3) Other matters necessary for the commencement and closing of customs clearance at in-house facilities, management, etc. of the operation of in-house facilities shall be prescribed by the Commissioner of the Korea Customs Service in a public announcement.

**Article 259 Deleted.** <by Presidential Decree No. 26089, Feb. 6, 2015>

**Article 259-2 (AEO Criteria, etc.)**

(1) The criteria for authorized economic operators pursuant to Article 255-2 (1) of the Act (hereinafter referred to as "AEO criteria") shall be as follows: <Amended by Presidential Decree No. 26089, Feb. 6, 2015>

1. Statutes related to export and import, such as the Customs Act, the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements, and the Foreign Trade Act, should have been observed faithfully;
2. The financial solvency shall be attained, such as no arrears in taxes on business activities, including customs duties;
3. The operating system, business partners, means of transportation and employee training system which can secure the security management of goods exported or imported shall be equipped;
4. Other criteria determined by the Commissioner of the Korea Customs Service shall be satisfied, in which the security and safety standards determined by the World Customs Organization have been reflected.

(2) When the Commissioner of the Korea Customs Service conducts validation pursuant to Article 255-2 (2) of Act, he/she may partially omit the validation based on AEO criteria referred to in each subparagraph of paragraph (1) for an international ship owner who has received an international ship security certificate under Article 12 of the International Ship and Port Facility Security Act or a port facility owner who has received a port facility conformity certificate under Article 27 of the same Act.

(3) An institution or organization to whom the Commissioner of the Korea Customs Service may entrust his/her duty to validate whether the criteria are met pursuant to the latter part of Article 252-2 (2) of the Act shall be determined, among the institutions or organizations meeting all the following requirements, and publicly notified by the Commissioner of the Korea Customs Service: <Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>

1. It shall be a non-profit corporation established in accordance with Article 32 of the Civil Act;
2. It shall be equipped with special experts and data-processing facilities and equipment necessary for validation based on AEO criteria.

(4) Procedures for entrusting validation under paragraph (3) and matters on the direction and supervision on entrusted institutions shall be prescribed by the Commissioner of the Korea Customs Service. <Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>

(5) "Benefits in the customs clearance procedures" in Article 255-2 (3) of the Act means the relaxation of inspections on goods exported or imported, or the simplification of export or import declarations and payment procedures, and the details thereof shall be determined by the Commissioner of the Korea Customs Services. <Amended by Presidential Decree No. 22086, Mar. 26, 2010>

#### **Article 259-3 (Procedures for AEO Certification)**

(1) Any person who intends to be certified as an AEO pursuant to Article 255-2 (1) of the Act, shall submit an application to the Commissioner of the Korea Customs Service, along with the following documents:

1. Self-assessment regarding AEO criteria;
2. Detailed statement of current compliance with AEO criteria;
3. Other documents determined by the Commissioner of the Korea Customs Service in connection with the current compliance with AEO criteria.

(2) A person who intends to renew AEO status under Article 255-2 (8) of the Act, shall submit an application to the Commissioner of the Korea Customs Service by not later than six months before the expiration date of the validity period of AEO certification, along with the documents set forth in paragraph (1). <Amended by Presidential Decree No. 26957, Feb. 5, 2016>

(3) In order to grant renewal of certification to a person who has obtained the AEO status, the Commissioner of the Korea Customs Service shall first notify the fact that an application for the renewal should be filed by not later than six months before the expiration date of the validity period of AEO certification, via text message, electronic mail, facsimile, telephone, document, etc. by not later than seven months before the expiration date of the validity period of AEO certification. <Newly Inserted by Presidential Decree No. 26957, Feb. 5, 2016>

(4) Upon receipt of an application under paragraph (1) or (2), the Commissioner of the Korea Customs Service shall issue an AEO certificate only when the enterprise meets the AEO criteria. <Newly Inserted by Presidential Decree No. 26957, Feb. 5, 2016>

(5) The Commissioner of the Korea Customs Service shall determine the grade of AEO, detailed procedures for validation and certification, and other necessary matters: Provided, That he/she shall consult matters related to other statutes concerning safety and security management, such as the International Ship and Port Facility Security Act, with the head of a related agency in advance. <Amended by Presidential Decree No. 26957, Feb. 5, 2016>

**Article 259-4 (Procedures for and Utilization of Measurement and Evaluation of Law Compliance, etc.)**

(1) In accordance with Article 255-2 (7) of the Act, the Commissioner of the Korea Customs Service may measure and evaluate the degree of law compliance (hereinafter referred to as "measurement and evaluation of degree of law compliance") by any of the following persons (hereafter referred to as "person subject to measurement and evaluation" in this Article) within the limit of four times a year:

1. An operator;
2. A person liable for duty payment under Article 19 of the Act;
3. A cargo manager under Article 172 (2) of the Act;
4. A shipping company or an airline under Article 225 (1) of the Act;
5. A declarant (including the owner of goods) of import, export, return, etc. under Article 242 of the Act;
6. An enterprise subject to special customs clearance under Article 254 of the Act and subparagraph 1 of Article 258 of this Decree;
7. A bonded transportation business entity, etc.;
8. An occupant enterprise defined in subparagraph 2 of Article 2 of the Act on Designation and Management of Free Trade Zones.

(2) In accordance with Article 255-2 (7) of the Act, the Commissioner of the Korea Customs Service may utilize the result of measurement and evaluation of degree of law compliance in the following matters:

1. Simplification of customs clearance procedures, such as application of simplified declaration methods;
2. Sorting of exported or imported goods subject to inspection;
3. Other matters prescribed by Ordinance of the Ministry of Strategy and Finance for the efficiency of the management of enterprises and goods.

(3) Detailed matters of the measurement and evaluation of degree of law compliance, such as evaluation items, distribution of marks and grading, shall be determined and publicly notified by the Commissioner of the Korea Customs Service.

**Article 260 (Inspection of Postal Materials)**

(1) The postmaster of a clearance post office shall, when he/she gets postal materials inspected under Article 257 of the Act, have his/her postal officials participate in such inspection.

(2) In cases of paragraph (1), any clearance post office shall, when customs officers deem it necessary to unpack postal materials for inspection, unpack and repack such postal materials.

#### **Article 261 (Postal Materials Subject to Export and Import Declaration)**

"Postal items that conform with the standards prescribed by Presidential Decree" in Article 258 (2) of the Act means the postal materials falling under any of the following subparagraphs: <Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 22816, Apr. 1, 2011>

1. Goods whose export and import are restricted or banned in accordance with statutes;
2. Goods which require a confirmation of the head of the relevant customs office under Article 226 of the Act;
3. Goods imported for the purpose of sale or other goods whose price has been paid or is required to be paid (limited to goods which fall under the standards set by the Commissioner of the Korea Customs Service with respect to whether customs clearance should be granted and whether customs duties should be assessed);
4. Goods that are exported and imported without settlement of their prices between Korea and foreign countries for the purpose of processing trade and raw materials as well as subsidiary materials for processing such goods;
5. Other goods on which an export or import declaration is deemed required and their amount is in excess of the amount prescribed by the Commissioner of the Korea Customs Service.

#### **Article 262 (Notice of Head of Relevant Customs Office, etc.)**

(1) With respect to postal materials falling under Article 258 (2) of the Act, the acceptance of the declaration under Article 248 of the Act or the submission of documents for which approval is granted under Article 252 of the Act by the relevant declarer to the clearance post office shall be substituted for the notice as prescribed in Article 259 (1) of the Act.

(2) In cases of paragraph (1), the duty payment notice issued by the relevant customs office shall be substituted for the notice as prescribed in Article 259 (2) of the Act.

#### **Article 263 (Procedures for Payment of Customs Duties of Postal Materials)**

Any person who intends to pay customs duties under Article 260 (1) of the Act shall pay such customs duties in money to the head of the relevant customs office in cases of Article 262 (2) and to the postal service office in other case, respectively.

#### **Article 263-2 (Scope of Taxation Data, Time for Submission Thereof, etc)**

(1) The scope of taxation data to be submitted by an agency subject to submission of taxation data referred to in Article 264-2 of the Act (hereafter referred to as "agency subject to submission of taxation data" in this Article) pursuant to Articles 264-3 and 264-4, agencies that will receive the taxation data, and the time for submission thereof shall be as specified in attached Table 3.

(2) Where the head of an agency subject to submission of the taxation data receives a request from the head of the Korea Customs Service or the head of a customs office to additionally submit or supplement any taxation data under Article 264-4 (3) of the Act, he/she shall comply with such request within 15 days unless any justifiable reason exists.

### **Article 264 (Business Report)**

The Commissioner of the Korea Customs Service or the head of the relevant customs office may order any person who sells goods produced in foreign countries in his/her permanent place of business, his/her agent or other related person to file a report on the following matters with respect to sold goods in accordance with Article 266 (3) of the Act:

1. The name, standard and quantity of the sold goods;
2. The export country, the producing country or the country of origin of the sold goods;
3. The import price or purchase price of the sold goods;
4. The importer or the seller of the sold goods;
5. The date of purchase and the date on which the sold goods are shipped into the place of business;
6. The date of sale of the sold goods.

### **Article 265 (Duty to Manage Weapons)**

(1) To ensure the safe use and management of weapons and the prevention of accidents pursuant to Article 267 of the Act, the Commissioner of the Korea Customs Service shall prepare the safety standards for the use, management and keeping of the relevant weapons, facilities, etc.

(2) Where any weapon is used, the Commissioner of the Korea Customs Service or the head of a customs office shall record the date, time, place, and target of the use thereof, the person in charge of the scene, and the type, quantity, etc. of weapons used, and preserve such record.

### **Article 265-2 (Criteria for Imposition of Administrative Fines)**

The criteria for imposition of administrative fines under Articles 277 (1) through (5) and 277-2 (5) of the Act shall be as specified in attached Table 5.

### **Article 266 (Domestic Wholesale Price)**

"Domestic wholesale price" in Article 282 (3) of the Act means the price of imported goods sold openly by wholesalers in the domestic wholesale market in a fair transaction manner after purchasing them from trade business operators.

### **Article 267 (Detention of Suspect)**

When any customs officer acting in the capacity of a judicial police takes any suspect into custody in accordance with statutes, he/she shall keep such suspect in custody in the relevant customs office, a national police station or a prison. <Amended by Presidential Decree No. 19563, Jun. 29, 2006>

### **Article 268 (Seizure and Custody of Goods)**

(1) When goods are seized in accordance with Article 303 (1) of the Act, such goods shall be sealed: Provided, That the same shall not apply to cases where it is deemed unnecessary to seal any goods or it is deemed impracticable to seal such goods.

(2) When any seized goods are kept in custody in accordance with Article 303 (2) of the Act, a receipt thereof shall be collected and a summary thereof shall be notified to the owner of the seized goods at the time of the seizure.

### **Article 269 (Matters to be Entered in Records of Official Inspection, Search or Seizure)**

The following matters shall be entered in the records of official inspection, search or seizure undertaken under Article 305 (1) of the Act: <Amended by Presidential Decree No. 2208, Mar. 26, 2010>

1. The name and quantity of the relevant goods;
2. The kind, notation, identification number and number of packages;
3. The place in and date on which inspection, search or seizure takes place;
4. The domicile or residence, and name of the owner or holder of the relevant goods;
5. The place where the relevant goods are kept in custody.

### **Article 270 (Payment in Kind of Forfeited Goods)**

With respect to goods subject to forfeiture, which are kept in custody in the office of Si/Gun/Eup/Myeon, the procedures for payment thereof may be taken while keeping such goods in custody as they are.

### **Article 270-2 (Notification Dispositions)**

(1) The amount equivalent to a fine referred to in Article 311 (1) 1 of the Act, shall be 20 percent of the upper limit of the relevant fine: Provided, That in cases of a crime that falls under attached Table 4, where the cost of the relevant goods does not exceed the upper limit of the relevant fine, it shall be 20 percent of the cost of the relevant goods.

(2) Where any cause determined and publicly notified by the Commissioner of the Korea Customs Service arises, such as where a customs offender interferes with investigations, or conceals, destroys or damages any evidence, the Commissioner of the Korea Customs Service or the head of a customs office may increase the amount in accordance with the ratio determined and publicly notified by the Commissioner of the Korea Customs Service within the limit of 50 percent of the amount prescribed in paragraph (1).

(3) Where any cause determined and publicly notified by the Commissioner of the Korea Customs Service arises, such as where a customs offender has voluntarily paid the deficient amount of customs duties of the relevant case during investigation, or where a customs offender is a feeble-minded person or has voluntarily surrendered, the Commissioner of the Korea Customs Service or the head of a customs office may reduce the amount in accordance with the ratio determined and publicly notified by the Commissioner of the Korea Customs Service within the limit of 50 percent of the amount prescribed in paragraph (1).

(4) Where a customs offender falls under at least two causes referred to in paragraphs (2) and (3), each ratio applicable thereto shall be aggregated; and if the aggregated ratio exceeds 50 percent, 50 percent shall apply.

(5) When issuing a notification disposition under Article 311 (1) of the Act, the Commissioner of the Korea Customs Service or the head of a customs office shall prepare and give a written notice to the relevant customs offender, and each corporation or individual subject to the joint penalty provisions under Article 270 of the Act, within 10 days from the date on which the investigation of the customs offender is completed. <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>



(6) "Agency for payment of the amount of notification disposition prescribed by Presidential Decree" in Article 311 (5) of the Act means any of the following institutions that settle payment made by credit cards, debit cards, etc. (hereafter referred to as "credit card, etc." in this Article), using an information communication network: <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

1. The Korea Financial Telecommunications and Clearings Institute established under Article 32 of the Civil Act;
2. A person designated by the Commissioner of the Korea Customs Service taking into account facilities, competency for business performance, scale of capital, etc.

(7) An agency for payment of the amount of notification disposition under paragraph (6) may receive fees for vicarious payment in return for the vicarious payment, as prescribed by Ordinance of the Ministry of Strategy and Finance. <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

(8) The Commissioner of the Korea Customs Service may determine matters necessary for payment, such as the types of credit cards, etc. to be used for payment. <Newly Inserted by Presidential Decree No. 29530, Feb. 12, 2019>

#### **Article 271 (Application for Prepayment of Fines or Additional Collection Charges, etc.)**

(1) Any person who intends to prepay the amount equivalent to a fine or an additional collection charge shall file an application stating the following matters with the Commissioner of the Korea Customs Service or the head of the relevant customs office:

1. The domicile and name;
2. The amount of prepayment;
3. Reasons for the application.

(2) The Commissioner of the Korea Customs Service or the head of the relevant customs office shall, upon receiving the prepayment under paragraph (1), deliver a custody certificate to the person who makes such prepayment.

(3) The Commissioner of the Korea Customs Service or the head of the relevant customs office shall promptly refund any balance accruing from the appropriation of the prepayment kept in custody under paragraph (2) to the payment of the fine and additional collection charge that the person, who makes the prepayment, is liable to pay to such person.

#### **Article 272 (Transfer of Seized Goods)**

(1) When the Commissioner of the Korea Customs Service or the head of the relevant customs office files an accusation against a customs offender in accordance with Articles 312, 316 and 318 of the Act, seized goods shall; if any, be transferred, together with a record thereof.

(2) The Commissioner of the Korea Customs Service or the head of the relevant customs office shall, when the seized goods referred to in paragraph (1) fall under Article 303 (2) of the Act, serve a summary of the transfer on the custodian thereof.

#### **Article 273 (Notification on Investigation of Customs Offender)**

The head of any investigative agency entrusted with the investigation by the Commissioner of the Korea Customs Service or the head of the relevant customs office shall inform the Commissioner of the Korea Customs Service or the head of the relevant customs office of detailed results of the investigation.

**Article 273-2 Deleted.** <by Presidential Decree No. 19993, Apr. 5, 2007>

**Article 274 (Office Hours of Relevant Customs Office and Hours for Handling of Goods)**

The office hours of every customs office and the hours during which goods are handled in bonded areas and transportation means under Article 321 of the Act shall be prescribed according to the following classifications: <Amended by Presidential Decree No. 18530, Aug. 30, 2004; Presidential Decree No. 19478, May 22, 2006>

1. The office hours of every customs office and the hours during which goods are handled in the transportation means: The office hours of public officials as prescribed in the State Public Officials Service Regulations: Provided, That where deemed necessary in view of the peculiarity of affairs of the relevant customs office, such as the regular arrivals in or departure from ports of aircraft and ships, etc., the head of the relevant customs office may set a different office hours by departments by obtaining an approval from the Commissioner of the Korea Customs Service;

2. The hours during which goods are handled in bonded areas: 24 hours: Provided, That if it is necessary to monitor and control, the head of the relevant customs office may limit the hours.

**Article 275 (Provisional Business Hours and Handling of Goods in Off-Duty Hours)**

(1) Any person who intends to take procedures for customs clearance, bonded transportation or entry into or departure from port in holidays or during off-duty hours under Article 321 (2) of the Act, shall submit a written notice stating the kind of administrative affairs, the time and the reasons therefor to the head of the relevant customs office: Provided, That the same shall not apply to any postal material, other than those requiring a declaration thereon under Article 241 of the Act.

(2) Any person who intends to handle goods during the off-duty hours under Article 321 (2) of the Act, shall submit a written notice thereof to the head of the relevant customs office, except for any of the following cases: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 26957, Feb. 5, 2016>

1. Handling postal materials (excluding the postal materials which require a declaration thereon under Article 241 of the Act);

2. Handling the relevant goods within the time notified under paragraph (1);

3. Conducting bonded works in a bonded factory: Provided, That the same shall not apply where the head of the relevant customs office deems that it causes any trouble to supervision and control;

4. Holding exhibition, using goods, or conducting construction works in a bonded exhibition or a bonded construction work site;

5. Handling export goods exempted from an inspection by the relevant customs office when an export declaration thereon is accepted;

- 5-2. Loading and unloading at harbors or airports as referred to in Article 155 (2);
6. Handling the relevant goods due to a calamity or unavoidable reasons. In such cases, an explanatory note thereon shall be later filed with the head of the relevant customs office for his/her confirmation.
- (3) The notice referred to in paragraph (1) shall state the following matters:
1. The classification into domestic or foreign goods, and the name and quantity of the relevant goods;
  2. The types, numbers and quantities of packaging;
  3. The kinds of goods to be handled;
  4. The hours and places of business.
- (4) Prior notice prescribed in Article 321 (2) of the Act shall be given during the office hours of public officials specified in the State Public Officials Service Regulations. *<Amended by Presidential Decree No. 19478, May 22, 2006>*

#### **Article 276 (Preparation of Statistics and Certificates, and Application for Delivery Thereof)**

(1) Any person who intends to apply for perusing or delivering statistics under Article 322 (1) and (3) of the Act shall file an application stating the following matters with the Commissioner of the Korea Customs Service: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*

1. The kind of statistics and contents thereof;
2. Reasons for the perusal or the delivery of statistics.

(2) The publication of statistics under Article 322 (2) of the Act shall be made not less than once a year.

(3) Cases referred to as the ones prescribed by Presidential Decree in the latter part of Article 322 (3) of the Act means the case where the material subject to the perusal or the delivery falls under any of the subparagraphs of Article 9 (1) of the Official Information Disclosure Act. *<Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 18493, Jul. 29, 2004; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>*

(4) Any person who intends to receive the delivery of a certificate, statistics or data concerning statistics under Article 322 (6) of the Act shall file an application stating the following matters with the Commissioner of the Korea Customs Service, the head of the relevant customs office or any person acting on his/her behalf under Article 322 (5) of the Act: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 22816, Apr. 1, 2011>*

1. The kinds and details of the media in which certificates, statistics or data concerning statistics are recorded;
2. Reasons for getting the delivery.

#### **Article 277 (Methods of Rewards)**

(1) Rewards prescribed in Article 324 of the Act may be given in the form of a testimonial or cash, or in the form of cash together with a testimonial as prescribed by the Commissioner of the Korea Customs Service.

(2) Where the Commissioner of the Korea Customs Service stipulates the standards for rewards prescribed in paragraph (1), the total sum of the reward for public officials shall be within the limit of 25/100 of the

actual national revenue resulting from their meritorious services: Provided, That the same shall not apply where the reward amount per person is not more than one million won. <Amended by Presidential Decree No. 17467, Dec. 31, 2001>

(3) In case of paragraph (1), any person who has tipped off the relevant customs office or other investigative agency about a customs offender from among persons that are credited under the provisions of Article 324 (1) of the Act, and any person that has reported on a hidden asset of a defaulter under Article 324 (2) of the Act may be rewarded anonymously as prescribed by the Commissioner of the Customs Service. <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

(4) To any person that has reported on a hidden asset of a defaulter under Article 324 (2) of the Act, an amount calculated by multiplying the amount collected through the report on the hidden asset (hereinafter referred to as "collected amount") by the following payment rate may be paid as a reward: Provided, That any portion exceeding one billion won shall not be paid. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 24373, Feb. 15, 2013; Presidential Decree No. 25224, Mar. 5, 2014>

(5) "Amount prescribed by Presidential Decree" prescribed in the proviso to Article 324 (2) of the Act means 20 million won. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

(6) "Property prescribed by Presidential Decree" prescribed in Article 324 (3) 3 of the Act refers to domestic real estate registered in the name of the defaulter himself. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>

(7) Any reward that is awarded to a person that has reported on a hidden asset shall be paid after collecting an amount equivalent to the amount in arrears of the defaulter of the hidden asset. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

#### **Article 278 (Examination of Meritorious Services)**

(1) The Commissioner of the Korea Customs Service or the head of the relevant customs office may reward persons who are deemed necessary to be rewarded for their meritorious services as a result of the survey of their services under Article 324 of the Act. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

(2) The Commissioner of the Korea Customs Service or the head of the relevant customs office shall give any person deserving a reward for his/her meritorious service a fair opportunity to receive such reward.

(3) Standards necessary for rewards under paragraph (1), the method of surveying meritorious services and other necessary matters shall be determined by the Commissioner of the Korea Customs Service: Provided, That the same meritorious service shall not be rewarded twice. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

**Articles 279 through 282 Deleted.** <by Presidential Decree No. 21305, Feb. 4, 2009>

#### **Article 282-2 (Transfer of Forfeited Farm Commodities, etc.)**

(1) Where forfeited goods, etc. that may be disposed of by means of auction or by other methods in accordance with Article 326 (1) of the Act are farm commodities (hereinafter referred to as "forfeited farm

commodities"), the head of the relevant customs office shall inform the Minister of Agriculture, Food and Rural Affairs thereof as prescribed by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 24441, Mar. 23, 2013>

(2) Where the Minister of Agriculture, Food and Rural Affairs intends to acquire the forfeited farm commodities in accordance with Article 326 (6) of the Act after he/she is informed thereof under paragraph (1), he/she shall file a written request with the head of the relevant customs office for transferring such farm commodities as prescribed by the Commissioner of the Korea Customs Service within 20 days from the date on which he/she is informed thereof. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 24441, Mar. 23, 2013>

(3) Where the Minister of Agriculture, Food and Rural Affairs fails to file such request within the time limit referred to in paragraph (2), the head of the relevant customs office may dispose of such farm commodities in accordance with Article 326 (1) of the Act. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 24441, Mar. 23, 2013>

(4) The cost of storing and managing forfeited farm commodities that are transferred to the Minister of Agriculture, Food and Rural Affairs at his/her request under paragraph (2) shall be paid by such Minister as prescribed by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 24441, Mar. 23, 2013>

#### **Article 283 (Standards for Paying Custody Fees, etc. for Forfeited Goods, etc.)**

"Amount prescribed by Presidential Decree" in Article 326 (4) of the Act means the amount prescribed and published by the Commissioner of the Korea Customs Service taking into account ordinary custody fees and management cost. In such cases, if custody fees and management costs are paid with the proceeds from the sale of the relevant goods, such payment shall not exceed an amount obtained by deducting the sale cost from the proceeds. <Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 22816, Apr. 1, 2011>

#### **Article 284 (Publication of Sale and Disposal)**

(1) When it is intended to sell goods in a general competitive bidding in accordance with the Act with the exception of the case prescribed in Article 14, the following matters shall be published:

1. The name, standard and quantity of the relevant goods;
2. The kind and number of packages;
3. The date and place of sale;
4. Reasons for sale;
5. Other necessary matters.

(2) When it is intended to dispose of goods under the Act, the following matters shall be published:

1. The name and quantity of the relevant goods;
2. The kind, notation, identification number and number of packages;
3. The date and time and place of disposal;

4. Reasons for the disposal;
5. The address and name of the owner of the relevant goods;
6. Other necessary matters.

(3) The publication referred to in paragraphs (1) and (2) shall be made in the bulletin board of the relevant customs office: Provided, That when the head of the relevant customs office deems it necessary, such publication may be made in other place, the Official Gazette or newspapers.

#### **Article 285 (Public Deposit of Balance)**

Where the head of the relevant customs office sells goods or securities or disposes of them in other manners under the Act and is unable to deliver the balance of the proceeds, he/she may place the said balance into public deposit.

#### **Article 285-2 (Electronic Delivery)**

(1) Any person who intends to take e-delivery pursuant to Article 327 (6) of the Act shall have the equipment needed to take such e-delivery and file an application stating the following matters with the head of the competent customs office as prescribed by the Commissioner of the Korea Customs Service:

*<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

1. Personal matters, such as name and resident registration number;
2. Address, place of dwelling, or location of business place;
3. E-mail address [*in cases of the electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea determined by the Commissioner of the Korea Customs Service in accordance with Article 327 (5) of the Act (hereinafter referred to as "electronic data-processing equipment"), its e-mail address means a place to which it is accessible using each of users' identification codes*];
4. Kinds of documents that he/she intends to obtain by means of e-delivery from among the documents referred to in paragraph (3);
5. Other necessary matters prescribed by the Commissioner of the Korea Customs Service.

(2) "Grounds prescribed by Presidential Decree" in Article 327 (7) of the Act means any of the following cases: *<Amended by Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where the electronic data-processing equipment operated by financial institutions and postal service offices breaks down due to power outage, program error and other unavoidable grounds;
2. Where the right of any person who intends to take the e-delivery to exercise his/her access to the electronic data-processing equipment is suspended;
3. Where the e-delivery is prescribed by the Commissioner of the Korea Customs Service as impossible.

(3) Documents that may be delivered by means of e-delivery in accordance with Article 327 (8) of the Act shall be payment notices, duty payment notices, refund notices and other documents prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

(4) Where payment notices, duty payment notices, refund notices and other documents prescribed by the Commissioner of the Customs Service from among those under paragraph (3) are delivered by means of e-delivery, the Commissioner of the Korea Customs Service shall deliver such documents by means of

storing them in the electronic data-processing equipment.

(5) Where the Commissioner of the Korea Customs Service delivers any document other than the documents referred to in paragraph (4), he/she shall deliver it to the e-mail address designated by any person who intends to receive such document by means of e-delivery.

**Article 285-3 (Standards and Procedures for Designation of Business Entities Operating Comprehensive Customs Duties Information Network of Korea)**

(1) Standards for designation of a business entity operating the Comprehensive Customs Duties Information Network of Korea (hereinafter referred to as "business entity operating the Comprehensive Customs Duties Information Network of Korea") under Article 327-2 (1) of the Act shall be as follows: Provided, That the standards under subparagraph 1 shall not apply to a business operator operating the Comprehensive Customs Duties Information Network of Korea who is in charge only of maintaining and repairing the Comprehensive Customs Duties Information Network of Korea: *<Amended by Presidential Decree No. 22086, Mar. 26, 2010>*

1. It shall be a non-profit corporation established pursuant to Article 32 of the Civil Act or a government-funded research institute under the Act on the Establishment, Operation and Fostering of Government-Funded Research Institutes;
2. It shall have experience in building up and operating an electronic data processing system;
3. It shall have other facilities and technical human resources meeting the standards determined by the Commissioner of the Korea Customs Service.

(2) Any person who intends to obtain designation as a business operator operating the Comprehensive Customs Duties Information Network of Korea shall file an application with the Commissioner of the Korea Customs Service with documents determined by the Commissioner. The same shall also apply when a designated business operator revises any of the matters designated as such.

(3) When the Commissioner of the Korea Customs Service has designated a business operator operating the Comprehensive Customs Duties Information Network of Korea, he/she shall issue a designation certificate to the relevant applicant and notify the head of a related administrative agency and the head of an agency related to customs affairs of the fact.

**Article 285-4 (Standards for Designating Electronic Document Brokerage Operators)**

(1) Standards for designating electronic document brokerage operators pursuant to Article 327-3 (1) of the Act shall be as follows: *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 23602, Feb. 2, 2012>*

1. Any stock company with at least one billion won in paid-in capital, which is incorporated under the Commercial Act;
2. A same person, excluding the Government, any public institution under Article 4 of the Act on the Management of Public Institutions and any nonprofit corporation, shall not hold or virtually control stocks in excess of 15/100 of total voting stocks;

3. To be equipped with facilities and technical manpower necessary for rendering the electronic document brokerage service pursuant to Article 327-3 (1) of the Act.

(2) The scope of stocks held or virtually controlled by a same person pursuant to paragraph (1) 2 shall be prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(3) Detailed matters concerning the designation standards referred to in paragraph (1) 3 shall be prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

#### **Article 285-5 (Procedures for Designating Electronic Document Brokerage Operators)**

(1) Any person who intends to obtain designation as an electronic document brokerage operator in accordance with Article 327-3 (1) of the Act shall file an application, accompanied by documents prescribed by the Commissioner of the Korea Customs Service, with the Commissioner of the Korea Customs Service. The same shall apply where any designated electronic document brokerage operator intends to alter the designated matters. *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

(2) The Commissioner of the Korea Customs Service shall, when he/she makes any designation in accordance with Article 327-3 (1) of the Act, deliver a designation certificate to the relevant applicant and then notify the heads of relevant administrative agencies and the heads of institutions concerned with tariff affairs of the fact. *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

#### **Article 285-6 (Criteria, etc. for Imposition of Penalty Surcharges on Business Entities Operating Comprehensive Customs Duties Information Network of Korea, etc.)**

(1) The amount of penalty surcharges imposed pursuant to Article 327-2 (5) or 327-3 (4) of the Act shall be calculated by multiplying the amount set forth in subparagraph 2 by the period set forth in subparagraph 1. In such cases, if the amount calculated exceeds 100 million won, the amount shall be deemed 100 million won: *<Amended by Presidential Decree No. 22086, Mar. 26, 2010>*

1. Period: The number of days of business suspension specified by Article 327-2 (4) or 327-3 (3) of the Act (one month shall be based on 30 days);

2. The amount of penalty surcharge per day: 300,000 won.

(2) The Commissioner of the Korea Customs Service may aggravate or reduce the amount of penalty surcharge within the scope of 1/4 of the amount of the penalty surcharge referred to in paragraph (1) in consideration of the business scale, the severity and frequency of violations, etc. of the relevant business entity operating the Comprehensive Customs Duties Information Network of Korea and e-document brokerage operator. In such cases, if the penalty surcharge is aggravated, the total amount of the relevant penalty surcharge shall not exceed 100 million won. *<Amended by Presidential Decree No. 22086, Mar. 26, 2010>*

#### **Article 285-7 (Payment of Penalty Surcharges)**

(1) The Commissioner of the Korea Customs Service shall, when he/she intends to levy any penalty surcharge to any person who has committed the act of violation in accordance with Article 327-2 (5) or



327-3 (4) of the Act, serve a notice on such person, in writing or by means of e-document, that he/she pays the penalty surcharge, specifying the kind of his/her act of violation and the amount of the relevant penalty surcharge. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

(2) Any person who is served with the notice referred to in paragraph (1) shall pay the penalty surcharge at a collecting agency designated by the Commissioner of the Korea Customs Service within 20 days from the date on which he/she receives such notice: Provided, That when it is impossible to pay the penalty surcharge within the fixed period due to a natural disaster or unavoidable grounds, such penalty surcharge shall be paid within seven days from the date on which such grounds are terminated.

(3) Any collecting agency that receives the penalty surcharge under paragraph (2) shall deliver a receipt in writing or by means of e-document to the payer.

(4) Every collecting agency shall, when it receives the penalty surcharge under paragraph (2), promptly notify, in writing or by means of e-document, the Commissioner of the Korea Customs Service of the fact.

(5) The penalty surcharge shall not be paid in installments.

#### **Article 286 (Application of Act on Contracts to Which State is Party)**

Matters not prescribed in this Decree with respect to the sale of goods or securities under the Act shall be governed by the Act on Contracts to Which the State is a Party. <Amended by Presidential Decree No. 19478, May 22, 2006>

#### **Article 287 (Formulation of Forms)**

Except as otherwise expressly prescribed by Ordinance of the Ministry of Strategy and Finance, applications and other forms under the Act and this Decree shall be determined and publicly notified by the Commissioner of the Korea Customs Service.

#### **Article 288 (Delegation and Entrustment of Authority)**

(1) The Commissioner of the Korea Customs Service may delegate his/her authority on rewards under Article 324 of the Act to the head of a customs office.

(2) The Commissioner of the Korea Customs Service shall delegate the following authority to the President of the Customs Valuation and Classification Institute, as prescribed by Article 329 (1) of the Act: <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 26089, Feb. 6, 2015>

1. Determination on a dutiable exchange rate provided for in Article 18 of the Act;
2. Determination on an amount added or deducted pursuant to Article 30 of the Act;
3. Determination on an amount provided for in Article 33 (1) 1 and 2 of the Act;
4. An advance ruling on the method for determining a customs value pursuant to Article 37 of the Act;
5. An advance ruling on the tariff classification pursuant to Article 86 of the Act;
6. Determination on an exchange rate provided for in Article 246 (6).

(3) The Commissioner of the Korea Customs Service may delegate his/her authority on the validation of certification of authorized economic operators under Article 255-2 (2) of the Act to the head of a customs

office or the head of the Customs Valuation and Classification Institute pursuant to Article 329 (1) of the Act. *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

(4) Deleted. *<by Presidential Decree No. 19993, Apr. 5, 2007>*

(5) The head of a customs office shall entrust his/her authority for notice (excluding the notice in the self-managed bonded area) prescribed in Article 209 (1) of the Act to the operator of a bonded area or a cargo manager in accordance with Article 329 (3) of the Act.

(6) The head of a customs office shall entrust his/her authority on the receipt of the report on the arrival of the bonded transportation under Article 215 of the Act to the operator of a bonded area or a cargo manager in accordance with Article 329 (3) of the Act.

(7) The head of a customs office shall entrust his/her authority on registration of bonded goods caretakers referred to in Article 165 (2) of the Act and on registration of bonded transportation business entities referred to in Article 222 (1) 1 of the Act to the head of a corporation designated and publicly announced by the Commissioner of the Korea Customs Service, among incorporated entities established pursuant to Article 32 of the Civil Act in accordance with Article 329 (3) of the Act. *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20624, Feb. 22, 2008>*

(8) The Commissioner of the Korea Customs Service shall entrust the affairs relating to reports on intellectual property rights under Article 235 (2) of the Act (limited to the receipt of written reports and the request for supplementation thereof) to a corporation designated and publicly notified by the Commissioner of the Korea Customs Service as having specialty in the protection of intellectual property rights among incorporated entities established in accordance with Article 32 of the Civil Act, as prescribed by the former part of Article 329 (4) of the Act. *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 22816, Apr. 1, 2011>*

(9) Pursuant to Article 329 (5) of the Act, the Commissioner of the Korea Customs Service or the head of a customs office may entrust his/her duties concerning the inspection of personal effects and means of transportation of persons who enter from an open port under Article 155 (1) (including bonded areas), to a corporation or organization designated and publicly notified by the Commissioner of the Korea Customs Service as deemed to have expertise in the duties related to inspection based on the criteria determined by the Commissioner of the Korea Customs Service. *<Newly Inserted by Presidential Decree No. 28642, Feb. 13, 2018>*

(10) Matters concerning the direction and supervision of the persons entrusted with the affairs referred to in paragraphs (5) through (9) shall be prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 18086, Aug. 21, 2003; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 28642, Feb. 13, 2018>*

#### **Article 289 (Handling of Sensitive Information and Personally Identifiable Information)**

(1) The Commissioner of the Korea Customs Service, the head of a customs office or a customs officer may handle any criminal history record prescribed in subparagraph 2 of Article 18 of the Enforcement Decree of the Personal Information Protection Act or any data containing a resident registration number,

passport number or alien registration number prescribed in subparagraph 1, 2 or 4 of Article 19 of the same Decree if it is inevitable to perform business affairs related to the assessment and collection of custom duties or customs clearance of exported or imported goods pursuant to the Act and this Decree (2) Where it is unavoidable to submit any taxation data under Article 264-4 or 264-5 of the Act, the head of an agency subject to submission of taxation data may manage the data that contain information on resident registration numbers, passport numbers, or alien registration numbers under subparagraph 1, 2 or 4 of Article 19 of the Enforcement Decree of the Personal Information Protection Act. <Newly Inserted by Presidential Decree No. 25224, Mar. 5, 2014>

#### **Article 290 (Re-Examination of Regulation)**

With respect to a license for establishing and operating bonded stores, the Minister of Strategy and Finance shall examine the appropriateness of provisions of Article 192-2 (1) and (2) that provide for the percentages of license to be applied to enterprises belonging to enterprise groups subject to the limitations on mutual investment under Article 14 (1) of the Monopoly Regulation and Fair Trade Act, small and medium enterprises under Article 2 of the Framework Act on Small and Medium Enterprises, and middle-standing enterprises every three years counting from October 31, 2013, and shall take measures for reinforcement, relaxation, maintenance, etc. <Amended by Presidential Decree No. 25224, Mar. 5, 2014>

#### ADDENDA

#### **Article 1 (Enforcement Date)**

This Decree shall enter into force on January 1, 2001.

#### **Article 2 (Repeal of Other Statutes)**

The Open Port Designation Decree shall be repealed.

#### **Article 3 (Applicability to Custody Period of Declaration Documents)**

The amended provisions of Article 3 shall apply beginning with the first declaration document filed after this Decree enters into force.

#### **Article 4 (Applicability to Review Period)**

The amended provisions of Articles 70 (2) and 84 (2) shall apply beginning with the first request for a review filed after this Decree enters into force.

#### **Article 5 (General Transitional Measures)**

Any disposition, procedures or other act, made, taken or done under the previous provisions as at the time this Decree enters into force shall be deemed made, taken or done under the provisions of this Decree unless they are in conflict with the provisions of this Decree.

#### **Article 6 (Transitional Measures concerning Previous Open Ports)**

Any open port designated in accordance with the previous Open Port Designation Decree shall be deemed an open port designated pursuant to the amended provisions of Article 155.

#### **Article 7 Omitted.**

## **Article 8 (Relationship to Other Statutes)**

Where other statutes cite the previous provisions of the Enforcement Decree of the Customs Act or any provisions thereof as at the time this Decree enters into force, this Decree or its corresponding provisions shall be deemed cited in lieu of the previous provisions.

ADDENDUM <Presidential Decree No. 17157, Mar. 27, 2001>

This Decree shall enter into force on March 29, 2001.

ADDENDA <Presidential Decree No. 17166, Mar. 27, 2001>

## **Article 1 (Enforcement Date)**

This Decree shall enter into force on March 29, 2001.

## **Article 2 Omitted.**

ADDENDUM <Presidential Decree No. 17320, Jul. 30, 2001>

This Decree shall enter into force on August 1, 2001.

ADDENDUM <Presidential Decree No. 17425, Dec. 15, 2001>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 17467, Dec. 31, 2001>

## **Article 1 (Enforcement Date)**

This Decree shall enter into force on January 1, 2002.

## **Article 2 (Applicability)**

- (1) The amended provisions of Article 3 (1) shall apply beginning with the portion on which an import declaration is filed for the first time after the enforcement of this Decree.
- (2) The amended provisions of subparagraph 4 of Article 6 shall apply beginning with the excess refund, etc. that is collected for the first time after the enforcement of this Decree.
- (3) The amended provisions of Article 37 (1) shall apply beginning with the portion that is collected for the first time after the enforcement of this Decree.
- (4) The amended provisions of Article 56 (2) shall apply beginning with the portion that is refunded, appropriated or collected for the first time after the enforcement of this Decree.
- (5) The amended provisions of Article 145 (5) and (6) shall apply beginning with the portion with which dissatisfaction is raised for the first time after the enforcement of this Decree.
- (6) The amended provisions of Article 188 (2) shall apply beginning with the application that is filed for a license on the establishment and operation of a bonded factory for the first time after the enforcement of this Decree.

(7) The amended provisions of Article 191 (1) shall apply beginning with the works that are done to increase or decrease the storage capacity of a licensed bonded area and to alter the capacity of the licensed work.

(8) The amended provisions of subparagraph 1 of Article 252 shall apply beginning with the portion on which an import declaration is filed for the first time after the enforcement of this Decree.

(9) The amended provisions of Article 277 (2) shall apply beginning with the reward that is paid for the first time after the enforcement of this Decree.

### **Article 3 (Relationship to Other Statutes)**

Where other statutes cite the previous provisions of this Decree, the corresponding provisions, if any, shall be deemed to be cited.

ADDENDUM <Presidential Decree No. 17602, May 13, 2002>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 17833, Dec. 30, 2002>

(1) (Enforcement Date) This Decree shall enter into force on January 1, 2003.

(2) (Applicability to Calculation Day to Extinctive Prescription of Authority to Collect Customs Duties) The amended provisions of Article 7 (1) 2 shall apply beginning with the first amended declaration filed after the enforcement of this Decree.

ADDENDA <Presidential Decree No. 18039, Jun. 30, 2003>

### **Article 1 (Enforcement Date)**

This Decree shall enter into force on July 1, 2003.

### **Articles 2 through 6 Omitted.**

ADDENDUM <Presidential Decree No. 18074, Jul. 30, 2003>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 18086, Aug. 21, 2003>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Applicability to Additional Duties) The amended provisions of Article 39 (1) 1 shall apply beginning with the first amended declaration filed after the enforcement of this Decree.

ADDENDA <Presidential Decree No. 18136, Nov. 20, 2003>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) Omitted.

ADDENDA <Presidential Decree No. 18333, Mar. 29, 2004>

- (1) (Enforcement Date) This Decree shall enter into force on March 31, 2004.
- (2) (General Applicability) This Decree shall apply beginning with any import declaration that is filed first after the enforcement of this Decree.
- (3) (Applicability to Asking for Approval of Work in Place other than Bonded Factory) The amended provisions of Article 203 (1) 1 shall apply beginning with the approval which is first asked for the work to be done in a place other than the bonded factory after the enforcement of this Decree.
- (4) (Applicability to Prior Confirmation of Country of Origin, etc.) The amended provisions of Article 236-2 shall apply beginning with any application for the prior confirmation on any country of origin, etc. which is first filed after the enforcement of this Decree.
- (5) Omitted.

ADDENDA <Presidential Decree No. 18493, Jul. 29, 2004>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on July 30, 2004. (Proviso Omitted.)

**Articles 2 through 4 Omitted.**

ADDENDA <Presidential Decree No. 18530, Aug. 30, 2004>

- (1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.
- (2) (Applicability to Additional Duties) The amended provisions of Article 39 (1) 2 shall apply beginning with a notice of duty payment after September 1, 2004.

ADDENDA <Presidential Decree No. 18624, Dec. 30, 2004>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Article 2 Omitted.**

ADDENDA <Presidential Decree No. 18903, Jun. 30, 2005>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on July 1, 2005.

**Article 2 Omitted.**

ADDENDA <Presidential Decree No. 19478, May 22, 2006>

- (1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 141-2 and 141-3 shall enter into force on January 1, 2007.

(2) (Applicability to Minimum Amount of Collectable Duty) The amended provisions of Article 37 (1) shall apply beginning with the portion that is first collected after the enforcement of this Decree.

(3) (Transitional Measure concerning Decision to Authorize Rehabilitation Program Provided for in Debtor Rehabilitation and Bankruptcy Act in Amended Provisions of Article 141-2 (1) 2) The decision to authorize the rehabilitation program provided for in the previous Company Reorganization Act shall be deemed the decision to authorize the rehabilitation program provided for in the Debtor Rehabilitation and Bankruptcy Act pursuant to the amended provisions of Article 141-2 (1) 2.

(4) Omitted.

ADDENDUM <Presidential Decree No. 19507, Jun. 12, 2006>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 19513, Jun. 12, 2006>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on July 1, 2006.

**Articles 2 through 4 Omitted.**

ADDENDA <Presidential Decree No. 19563, Jun. 29, 2006>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on July 1, 2006.

**Articles 2 through 8 Omitted.**

ADDENDA <Presidential Decree No. 19993, Apr. 5, 2007>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 100 (1), 101 (2) and (3), 144 (2), (3), (5), (6) and (7), 147 (1), 148 (2) and (3), 153-2 (1) and (2), 154 and 282 shall enter into force on July 1, 2007.

(2) (Applicability to Application for Revocation of Security) The amended provisions of the proviso to Article 13 shall apply to any application for revocation of security filed before the enforcement of this Decree.

(3) (Applicability to Declaration of Provisional Value) The amended provisions of the latter part of Article 16 (4) shall also apply to any provisional value for which declaration period for final value under the previous Article 16 (3) has not expired or declaration period for final value extended in accordance with the main sentence of Article 16 (4) before the enforcement of this Decree.

(4) (Applicability to Report on Security Offering) The amended provisions of Article 131 (2) shall apply beginning with any portion declared first for import after the enforcement of this Decree.

(5) (Applicability to Security Offering) The amended provisions of subparagraph 5 of Article 252 shall apply beginning with removal goods declared first for import after the enforcement of this Decree.

ADDENDUM <Presidential Decree No. 20438, Dec. 13, 2007>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 20516, Dec. 31, 2007>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on January 1, 2008.

**Articles 2 through 7 Omitted.**

ADDENDA <Presidential Decree No. 20624, Feb. 22, 2008>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Article 2 (Applicability to Commencement of Investigation on Dumping, Actual Damages, etc.)**

The amended provisions of Article 60 (2) shall apply beginning with goods on which the assessment of anti-dumping duties has been requested after this Decree enters into force.

**Article 3 (Applicability to Measures Following Results of Review)**

The amended provisions of Article 70 (8) and (11) shall apply beginning with the assessment of a new anti-dumping duty or to any person who fulfills such pledges as price adjustment, export suspension, etc., following the results of review under Article 56 (1) of the Act, after this Decree enters into force.

**Article 4 (Transitional Measures concerning Application for Work Permissions other than Those for Bonded Factories)**

Notwithstanding the amended provisions of Article 203 (3), the previous provisions shall apply to goods that have obtained work permissions other than those for bonded factories under Article 203 (1) and have inspected by customs officers under the latter part of Article 189 of the previous Act (referring to that before the partial amendment of the Customs Act, Act No. 8833) before this Decree enters into force.

ADDENDA <Presidential Decree No. 20720, Feb. 29, 2008>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 8 Omitted.**

ADDENDA <Presidential Decree No. 21305, Feb. 4, 2009>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 288 (2) shall enter into force on April 1, 2009.



## **Article 2 (General Applicability)**

This Decree shall apply beginning with the import declaration first made after this Decree enters into force.

## **Article 3 Omitted.**

ADDENDA <Presidential Decree No. 21634, Jul. 22, 2009>

## **Article 1 (Enforcement Date)**

This Decree shall enter into force on July 23, 2009. (Proviso Omitted.)

## **Articles 2 through 4 Omitted.**

ADDENDA <Presidential Decree No. 22086, Mar. 26, 2010>

## **Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of attached Table 2 shall enter into force on April 1, 2010, and the amended provisions of Articles 196, 252 and 257 (2) shall enter into force on July 1, 2010.

## **Article 2 (General Applicability)**

This Decree shall apply beginning with the first import declaration made after this Decree enters into force.

## **Article 3 (Applicability to Monthly Payment)**

The amended provisions of the latter part of Article 1-2 (2) and Article 1-2 (5) shall apply beginning with the first application for approval of monthly payment or application for renewal of approval filed after this Decree enters into force.

## **Article 4 (Applicability to Payment of Customs Duties by Credit Card, etc.)**

The amended provisions of Article 32-5 (1) shall apply beginning with the report on import made after January 1, 2010.

## **Article 5 (Applicability to Additional Duties)**

The amended provisions of Article 39 (2) 5 and paragraph (4) of the same Article shall apply beginning with the first additional duties assessed after this Decree enters into force.

## **Article 6 (Applicability to Investigation of Dumping and Actual Damages)**

The amended provisions of Article 61 (7) shall apply beginning with the first full-scale investigation result received after this Decree enters into force.

## **Article 7 (Applicability to Assessment of Anti-Dumping Duties)**

The amended provisions of Article 65 (4) through (6) shall apply beginning with the first investigation on a new supplier conducted after this Decree enters into force.

## **Article 8 (Applicability to Review of Anti-Dumping Duties and Pledge)**

The amended provisions of Article 70 (2) and (11) shall apply beginning with the first review conducted after this Decree enters into force and the amended provisions of Article 70 (6) shall apply beginning

with first the results of investigation submitted after this Decree enters into force.

**Article 9 (Transitional Measures concerning Amount of Penalty Surcharges)**

The amount of penalty surcharges imposed against the violations committed before this Decree enters into force shall be governed by the previous provisions, notwithstanding the amended provisions of Article 285-6 (1).

**Article 10 Omitted.**

ADDENDA <Presidential Decree No. 22151, May 4, 2010>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on May 5, 2010.

**Articles 2 through 4 Omitted.**

ADDENDUM <Presidential Decree No. 22467, Nov. 2, 2010>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 22493, Nov. 15, 2010>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on November 18, 2010.

**Articles 2 through 5 Omitted.**

ADDENDA <Presidential Decree No. 22816, Apr. 1, 2011>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 3 (1) 2, 193-2 and 256 (3) shall enter into on April 1, 2011, the amended provisions of Articles 236 (4) and (5), 236-6 through 236-8 shall enter into force on July 1, 2011, the amended provisions of Articles 3 (1) 1, 237 through 240, 241 (2) through (4), 242, 245 (1) and 288 (8) shall enter into force on the date when the Free Trade Agreement between European Union and its Member States and the Republic of Korea comes into effect (in case of patent and design right, the date when two years pass from the date when the above Free Trade Agreement comes into effect).

**Article 2 (General Applicability)**

This Decree shall apply beginning with the first export or import declaration filed after this Decree enters into force.

**Article 3 (Applicability to Publication of Average Declared Value of Imported Goods)**

The amended provisions of Article 16-2 shall apply beginning with the first declaration filed after this Decree enters into force.

**Article 4 (Applicability to Revocation of Designation of Cargo Manager)**

The amended provisions of Article 187-2 shall apply beginning with the first case for which the ground for revocation of designation occurs after this Decree enters into force.

**Article 5 (Applicability to Penalty Surcharges)**

The amended provisions of Article 193-2 shall apply beginning with the first case for which the ground for suspension of the shipment of the goods occurs after the amended provisions of Article 193-2 enter into force pursuant to the proviso to Article 1 of the Addenda.

**Article 6 (Applicability to Protection of Intellectual Property Right)**

The amended provisions of Articles 237 through 240, 241 (2) through (4), 242, 245 (1) and 288 (8) shall apply beginning with the first export or import declaration, transshipment declaration, multi-transshipment declaration, declaration for shipment of goods into bonded area, declaration for bonded transportation or declaration for temporary unloading after the amended provisions of Articles 237 through 240, 241 (2) through 4, 242, 245 (1) and 288 (8) enter into force pursuant to the proviso to Article 1 of the Addenda.

**Article 7 (Applicability to Omission of Provision of Security at the time of Shipping Goods out of Storage Warehouse prior to Acceptance of Import Declaration)**

The amended provisions of Article 256 (3) shall apply beginning with the first goods to be shipped out of the storage warehouse after the amended provisions of Article 256 (3) enter into force pursuant to the proviso to Article 1 of the Addenda.

**Article 8 (Transitional Measures concerning Designation of Cargo Manager)**

A cargo manager designated under the previous provisions as at the time this Decree enters into force shall be deemed a cargo manager designated under Article 187 and the period of validity of such designation shall be the period beginning from the date this Decree enters into force to the date three years pass after this Decree enters into force, notwithstanding the amended provisions of Article 187 (4).

ADDENDUM <Presidential Decree No. 23127, Sep. 7, 2011>

This Decree shall enter into force on October 26, 2011.

ADDENDA <Presidential Decree No. 23488, Jan. 6, 2012>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Article 2 Omitted.**

ADDENDA <Presidential Decree No. 23602, Feb. 2, 2012>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 1, 34 (2), 39 (2) and (3), 135-2 through 135-4, and 168-2 shall enter into force on

March 1, 2012, and the amended provisions of Articles 1-3 (6), 27 (4) through (7), 35, 144, 147, 148, 153-2, 154, 187 (6), 188 (4), and 231 (4) shall enter into force on July 1, 2012.

#### **Article 2 (General Applicability)**

This Decree shall apply beginning with the first export or import declaration filed after this Decree enters into force.

#### **Article 3 (Applicability, etc. to Prior Notification for Renewal of Period of Validity)**

(1) The amended provisions of Articles 1-3 (6), 187 (6), 188 (4), and 231 (4) shall apply beginning with the period of validity arriving after such provisions enters into force pursuant to the proviso to Article 1 of the Addenda.

(2) Notwithstanding the proviso to Article 1 of the Addenda, where necessary for giving a prior notification about the period of validity arriving pursuant to paragraph (1), each amended provisions set forth paragraph (1) shall be deemed entered into force and a prior notification may be given under the relevant amended provisions.

#### **Article 4 (Applicability to Domestic Sales Price, etc. of Imported Goods)**

The amended provisions of Article 27 (4) through (7) may also apply to cases advantageous to duty payers, such as the reduction of customs value of goods by applying the amended provisions to goods for which declarations for duty payment have been filed under Article 38 (1) of the Act and the examinations thereof are being conducted under Article 38 (2) as of July 1, 2012.

#### **Article 5 (Applicability to Partial Exemption of Additional Duties)**

The amended provisions of Article 39 (2) and (3) (limited to the amendment to paragraph (2) 2-2) shall apply beginning with the first amended declaration filed after such provisions enters into force pursuant to the proviso to Article 1 of the Addenda.

#### **Article 6 (Applicability to Period for Customs Investigations)**

The amended provisions of Article 139-2 (1) and (3) through (5) shall apply beginning with the first investigation conducted after this Decree enters into force.

#### **Article 7 (Applicability to Application for Pre-Assessment Review to Commissioner of the Korea Customs Service)**

The amended provisions of subparagraph 5 of Article 143 shall apply beginning with the first application for pre-assessment review filed after this Decree enters into force.

#### **Article 8 (Applicability to Standards for Designating Electronic Document Brokerage Operators)**

The amended provisions of Article 285-4 (1) 2 shall apply beginning with the first designation made after this Decree enters into force.

ADDENDA <Presidential Decree No. 23759, May 1, 2012>

#### **Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

## **Article 2 (Applicability to Public Announcement of Test)**

An amendment to the period for public announcement of a test under this Decree shall apply beginning with the test to be conducted on or after January 1, 2013.

ADDENDUM <Presidential Decree No. 23827, Jun. 5, 2012>

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 147 (3) 1, (4) 1 (a) and (b), and (6) which have been partly amended by the Enforcement Decree of the Customs Act (Presidential Decree No. 23602) shall enter into force on July 1, 2012.

ADDENDA <Presidential Decree No. 23845, Jun. 7, 2012>

## **Article 1 (Enforcement Date)**

This Decree shall enter into force on June 8, 2012.

## **Articles 2 through 4 Omitted.**

ADDENDA <Presidential Decree No. 24373, Feb. 15, 2013>

## **Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 41 and 45 (1) 2 and subparagraph 1 (b) of attached Table 2 shall enter into force on January 1, 2014.

## **Article 2 (General Applicability)**

This Decree shall apply beginning with the first goods for which an import or export declaration is filed after this Decree enters into force.

## **Article 3 (Applicability to Time Limit for Payment Based on Customs Duties Payment Notice)**

The amended provisions of Articles 2 and 127 shall also apply to goods on which the payment time limit has not come as of the enforcement date of this Decree.

## **Article 4 (Applicability to Data Submitted by Persons with Special Relationships to Determine Customs Values)**

The amended provisions of Article 31-3 shall apply beginning with goods on which the amount of customs duties is assessed after this Decree enters into force.

## **Article 5 (Applicability to Reasons for Later Applications for Rectification)**

The amended provisions of Article 34 (2) shall apply beginning with goods for which the head of a customs office makes a request for the confirmation of a certificate of origin, etc. after this Decree enters into force.

## **Article 6 (Applicability to Initial Date in Calculating Surcharges on Refund of Customs Duties)**

The amended provisions of Article 56 shall apply beginning with goods on which a customs refund is appropriated or paid after this Decree enters into force.

**Article 7 (Applicability to Refund of Customs Duties on Goods Different from Content of Contract, etc.)**

The amended provisions of Article 124 shall also apply to goods for which the deadline for payment of customs duties by self-assessment has not come as of the enforcement date of this Decree.

**Article 8 (Applicability to Customs Investigations)**

The amended provisions of Articles 139-2 and 140 shall apply beginning with goods on which a customs investigation is conducted after this Decree enters into force.

**Article 9 (Applicability to Rates of Security on Goods Suspected of Infringement of Intellectual Property Rights)**

The amended provisions of Article 241 shall apply beginning with goods on which a person requests the suspension of or withholding of customs clearance, or requests customs clearance or release from custody after this Decree enters into force.

**Article 10 (Applicability to Limits on Payment of Rewards for Reporting)**

The amended provisions of Article 277 shall apply beginning with a report on the hidden asset of a defaulter after this Decree enters into force.

**Article 11 (Special Cases on Standards for Facilities, etc. of Transportation Business Entity of Consignments)**

Notwithstanding the amended provisions of Articles 258-2 through 258-4, where the head of a customs office clears goods through customs at the facilities of a transportation business entity of consignments as of the enforcement date of this Decree, he/she may continuously clear goods at the facilities of the relevant transportation business entity of consignments until December 31, 2015.

ADDENDA <Presidential Decree No. 24441, Mar. 23, 2013>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Articles 2 through 5 Omitted.**

ADDENDA <Presidential Decree No. 24697, Aug. 27, 2013>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on August 29, 2013. (Proviso Omitted.)

**Articles 2 through 13 Omitted.**

ADDENDA <Presidential Decree No. 24825, Nov. 5, 2013>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Article 2 (Transitional Measures concerning Bonded Stores, License Periods of which Expire during Taking License Procedures for Bonded Stores)**

Where any procedure for granting a license for establishing and operating a bonded store is proceeded in accordance with the amended provisions of Articles 192-2 and 192-5 after this Decree enters into force due to the expiration of a license period for a person that has been licensed for establishing and operating a bonded store under Article 174 of the Act (limited to persons whose license period expire during the period from the enforcement date of the amended provisions of Article 176-2 of the Act prescribed in the proviso to Article 1 of the partially amended Customs Act (Act No. 11602) to December 31, 2013; hereinafter referred to as "existing licensee"), the existing licensee shall be deemed to have the license for establishing and operating a bonded store until a license is granted under the amended provisions of Articles 192-2 and 192-5, notwithstanding the expiration of the license period of existing licensee.

ADDENDA <Presidential Decree No. 25224, Mar. 5, 2014>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 32-5 (1) shall enter into force on July 1, 2014.

**Article 2 (Applicability to Disposition to Assess Anti-Dumping Duties)**

(1) The amended provisions of Article 61 (7) shall apply where the results of the full-scale investigations referred to in Article 61 (5) are submitted after this Decree enters into force.

(2) The amended provisions of Article 70 (6) shall apply where the results of investigations referred to in Article 70 (5) are submitted after this Decree enters into force.

**Article 3 (Applicability to Scope of Taxation Data and Time to Submit Them)**

The amended provisions of Article 263-2 and attached Table 3 shall apply to the taxation data submitted by agencies subject to submission of such taxation data after this Decree enters into force.

**Article 4 (Applicability to Increase of Payment Rate of Rewards)**

The amended provisions of Article 277 (4) shall apply to the reports on hidden assets after this Decree enters into force.

ADDENDA <Presidential Decree No. 25279, Mar. 24, 2014>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Articles 2 and 3 Omitted.**

ADDENDA <Presidential Decree No. 25495, Jul. 21, 2014>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on July 22, 2014.

**Article 2 Omitted.**

ADDENDA <Presidential Decree No. 25523, Jul. 28, 2014>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on July 29, 2014.

**Articles 2 through 4 Omitted.**

ADDENDA <Presidential Decree No. 25751, Nov. 19, 2014>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended part of the Enforcement Decrees which were promulgated before this Decree enters into force but the enforcement dates of which have not arrived yet among the Presidential Decrees amended pursuant to Article 5 of the Addenda shall respectively enter into force on the enforcement dates of such Presidential Decrees.

**Articles 2 through 5 Omitted.**

ADDENDA <Presidential Decree No. 25836, Dec. 9, 2014>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on January 1, 2015.

**Articles 2 through 6 Omitted.**

ADDENDUM <Presidential Decree No. 25898, Dec. 30, 2014>

This Decree shall enter into force on January 1, 2015.

ADDENDA <Presidential Decree No. 26089, Feb. 6, 2015>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Article 2 (General Applicability)**

This Decree shall apply to declarations on export, import or return filed after this Decree enters into force.

**Article 3 (Applicability, etc. to Payment of Customs Duties, etc. with Credit Cards, etc.)**

The amended provisions of Article 32-5 shall apply to the payment of customs duties, etc. made after this Decree enters into force.

**Article 4 (Applicability to Additional Duties)**

(1) The amended provisions of Article 39 (2) 3-2 and (3) 3 shall apply to amended declarations filed after this Decree enters into force.

(2) The amended provisions of Article 39 (2) 4-2 and (3) 4 shall also apply where an application for pre-assessment review was filed before this Decree enters into force but the decision and notice thereon



have not been made within the period prescribed in Article 118 (3) of the Act as at the time this Decree enters into force.

**Article 5 (Applicability, etc. to Submission of Certificate of Origin)**

The amended provisions of the proviso to the part other than subparagraphs of Article 236 (1) shall also apply to a person who has filed an import declaration before this Decree enters into force but has failed to submit a certificate of origin at the time of filing the relevant import declaration for reason of loss, etc.

**Article 6 (Transitional Measures concerning Initial Date in Calculating Surcharge on Refund of Customs Duties)**

Notwithstanding the amended provisions of Article 56 (3), the initial date in calculating a surcharge on the refund of customs duties where an ex post facto application of a conventional tariff was filed before this Decree enters into force and the application of the relevant conventional tariff is notified after this Decree enters into force shall be governed by the previous provisions.

**Article 7 (Transitional Measures concerning Requirements for Designation of Open Ports)**

Notwithstanding the amended provisions of subparagraph 3 of Article 155-2, requirements for designation of airports designated under Article 155 before this Decree enters into force shall be governed by the previous provisions.

**Article 8 (Transitional Measures concerning Issuance of Certificate of Origin)**

Notwithstanding the amended provisions of Article 236 (4), a certificate of origin issued before this Decree enters into force and submitted after this Decree enters into force, for which one year has not passed as of the date of submission retroactively from the date of filing an import declaration, shall be governed by the previous provisions.

**Article 9 (Transitional Measures concerning Amount of Security to be Offered when Requesting Suspension, etc. of Customs Clearance)**

Notwithstanding the amended provisions of Article 241 (2), the amount of security to be offered where the suspension or withholding of customs clearance was requested before this Decree enters into force shall be governed by the previous provisions.

ADDENDA <Presidential Decree No. 26473, Aug. 3, 2015>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on August 4, 2015.

**Articles 2 through 8 Omitted.**

ADDENDA <Presidential Decree No. 26516, Sep. 9, 2015>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Article 2 (Applicability to Simplified Tariff Rates)**

The amended provisions of subparagraph 1 of attached Table 2 shall apply to import declarations filed on or after August 27, 2015.

**Article 3 (Transitional Measures concerning Simplified Tariff Rates)**

Notwithstanding subparagraph 1 of attached Table 2, import declarations filed on or before August 26, 2015 shall be governed by the previous provisions.

**Article 4 (Transitional Measures concerning Refund, etc. of Customs Duties)**

Where goods, the tariff rate of which is reduced under the amended provisions of each subparagraph of Table 2, and for which an import declaration was filed between the period from August 27, 2015 to the immediately preceding day of the enforcement date of this Decree, are imported by a person liable for duty payment under Article 19 of the Act, the amount of custom duties corresponding to the reduced portion shall be refunded or deducted from the amount of custom duties to be paid, if a report thereon is filed with the head of the competent tax office by not later than October 25, 2015, appending the evidential documents prescribed by the Commissioner of the Korea Customs Service, such as an import declaration completion certificate that can verify such fact.

ADDENDA <Presidential Decree No. 26669, Nov. 27, 2015>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Article 2 (Transitional Measures concerning Modification of Simplified Tariff Rates on Luxury Watches, etc.)**

Notwithstanding the amended provisions of subparagraph 1 of attached Table 2, portions for which import declarations have been filed before this Decree enters into force shall be governed by the previous provisions.

ADDENDA <Presidential Decree No. 26791, Dec. 30, 2015>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on January 18, 2016. (Proviso Omitted.)

**Articles 2 and 3 Omitted.**

ADDENDA <Presidential Decree No. 26830, Dec. 31, 2015>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on January 1, 2016.

**Article 2 (Transitional Measures concerning Modification of Simplified Tariff Rates)**

Notwithstanding the amended provisions of attached Table 2, portions for which import declarations have been filed before this Decree enters into force shall be governed by the previous provisions.

ADDENDA <Presidential Decree No. 26858, Jan. 6, 2016>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on January 7, 2016.

**Articles 2 and 3 Omitted.**

ADDENDA <Presidential Decree No. 26957, Feb. 5, 2016>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 251-2 shall enter into force on January 1, 2017.

**Article 2 (Applicability to Duty Payment Notice following Rectification of Amount of Customs Duties)**

The amended provisions of the latter part of Article 34 shall begin to apply from an amount of customs duties rectified after this Decree enters into force.

ADDENDUM <Presidential Decree No. 27129, May 10, 2016>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 27300, Jun. 30, 2016>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on July 1, 2016. (Proviso Omitted.)

**Articles 2 through 10 Omitted.**

ADDENDA <Presidential Decree No. 27464, Aug. 29, 2016>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on August 30, 2016.

**Articles 2 through 5 Omitted.**

ADDENDA <Presidential Decree No. 27472, Aug. 31, 2016>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on September 1, 2016.

**Articles 2 through 7 Omitted.**

ADDENDA <Presidential Decree No. 27793, Jan. 17, 2017>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on January 20, 2017.

**Articles 2 through 5 Omitted.**

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 248-2 shall enter into force on April 1, 2017, and the amended provisions of Article 16 (1) 2-3 shall enter into force on July 1, 2017.

**Articles 2 (General Applicability)**

This Decree shall apply, beginning with the declarations on export, import or return filed after this Decree enters into force.

**Articles 3 (Applicability to Collection of Internal Taxes, etc. in Arrears by Head of Tax Office)**

The amended provisions of Article 1-2 (1) shall also apply to internal taxes, etc. in arrears before this Decree enters into force.

**Articles 4 (Applicability to Term of Office of Members of Customs Duties Arrearages Adjustment Committee)**

The amended provisions of the main sentence of Article 42 (4) shall apply, beginning with any member commissioned (including a member consecutively appointed) after this Decree enters into force.

**Articles 5 (Applicability to Term of Office of Members of Tariff Classification Committee)**

The amended provisions of the main sentence of Article 100 (3) shall apply, beginning with any member commissioned (including a member consecutively appointed) after this Decree enters into force.

**Articles 6 (Applicability to Scope of Raw Materials at Bonded Factory)**

The amended provisions of Article 199 (1) shall apply, beginning with any raw material or material brought into a bonded factory after this Decree enters into force.

**Articles 7 (Applicability to Term of Office of Members of Country of Origin Confirmation Committee)**

The amended provisions of the main sentence of Article 236-4 (4) shall apply, beginning with any member commissioned (including a member consecutively appointed) after this Decree enters into force.

**Articles 8 (Applicability to Extension of Period for Substantiating Withholding, etc. of Customs Clearance)**

The amended provisions of Article 239 (3) shall apply, beginning with the requests for withholding, etc. of customs clearance made after this Decree enters into force.

**Articles 9 (Applicability to Scope of Taxation Data and Time, etc. to Submit Them)**

The amended provisions of attached Table 3 shall apply, beginning with the requests for submission of taxation data filed after this Decree enters into force.

**Articles 10 (Transitional Measures concerning Retroactive Assessment of Anti-Dumping Duties)**

Notwithstanding the amended provisions of Article 69 (1) 3, goods to which the provisional measure has been applied before this Act enters into force shall be governed by the previous provisions.

ADDENDA <Presidential Decree No. 27958, Mar. 27, 2017>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on March 28, 2017.

**Articles 2 through 9 Omitted.**

ADDENDA <Presidential Decree No. 27970, Mar. 29, 2017>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on March 30, 2017.

**Articles 2 through 7 Omitted.**

ADDENDA <Presidential Decree No. 27972, Mar. 29, 2017>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on March 30, 2017.

**Articles 2 through 10 Omitted.**

ADDENDA <Presidential Decree No. 28211, Jul. 26, 2017>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amendments to the Presidential Decrees which were promulgated before this Decree enters into force but the enforcement dates of which have not arrived yet, among the Presidential Decrees amended pursuant to Article 8 of the Addenda, shall enter into force on the enforcement dates of the respective Presidential Decrees.

**Articles 2 through 8 Omitted.**

ADDENDA <Presidential Decree No. 28443, Nov. 28, 2017>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Articles 2 (Applicability to Publication of License of Bonded Stores)**

The amended provisions of Article 192-5 (1) 4 shall apply, beginning with a public announcement made after this Decree enters into force.

ADDENDA <Presidential Decree No. 28642, Feb. 13, 2018>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of attached Table 3 (limited to the part concerning subparagraph 40) shall enter into force on April 1, 2018, and the amended provisions of Articles 31-2, 31-3, and 251-3 (1) and (2) shall enter into force on July 1, 2018.

## **Article 2 (General Applicability)**

This Decree shall apply, beginning with the first export declaration, import declaration or return declaration filed after this Decree enters into force.

## **Article 3 (Applicability to Consecutive Appointment of Members of Customs Duties Arrearages Adjustment Committee, etc.)**

(1) The restriction on the consecutive appointment or commissioning of members of the Customs Duties Arrearages Adjustment Committee under the amended provisions of the main sentence of Article 42 (4) shall apply, beginning with any member commissioned after this Decree enters into force. In such cases, the number of times of consecutive commissioning shall be counted excluding the term of office which has commenced from the time the relevant member was commissioned as a member before this Decree enters into force.

(2) The restriction on the consecutive appointment or commissioning of members of the Tariff Classification Committee under the amended provisions of the main sentence of Article 100 (3) shall apply, beginning with any member commissioned after this Decree enters into force. In such cases, the number of times of consecutive commissioning shall be counted excluding the term of office which has commenced from the time the relevant member was commissioned as a member before this Decree enters into force.

(3) The restriction on the consecutive appointment or commissioning of members of the Customs Information Disclosure Deliberative Committee under the amended provisions of the main sentence of Article 141-3 (2) shall apply, beginning with the first member commissioned after this Decree enters into force. In such cases, the number of times of consecutive commissioning shall be counted excluding the term of office which has commenced from the time the relevant member was commissioned as a member before this Decree enters into force.

(4) The restriction on the consecutive appointment or commissioning of members of the Customs Appeal Committees under the amended provisions of the main sentence of Article 147 (7) shall apply, beginning with the first member commissioned after this Decree enters into force. In such cases, the number of times of consecutive commissioning shall be counted excluding the term of office which has commenced from the time the relevant member was commissioned as a member before this Decree enters into force.

(5) The restriction on the consecutive appointment or commissioning of members of the Country of Origin Confirmation Committee under the amended provisions of the main sentence of Article 236-4 (4) shall apply, beginning with the first member commissioned after this Decree enters into force. In such cases, the number of times of consecutive commissioning shall be counted excluding the term of office which has commenced from the time the relevant member was commissioned as a member before this Decree enters into force.

(6) The restriction on the consecutive appointment or commissioning of members of the Trade Facilitation Committee under the amended provisions of the main sentence of Article 245-2 (4) shall

apply, beginning with the first member commissioned after this Decree enters into force. In such cases, the number of times of consecutive commissioning shall be counted excluding the term of office which has commenced from the time the relevant member was commissioned as a member before this Decree enters into force.

**Article 4 (Applicability, etc. to Registration of Bonded Transportation Operators, etc.)**

(1) The amended provisions of Article 231 (1) 3 shall apply, beginning with a registration made after this Decree enters into force.

(2) A person registered as a bonded transportation operator, etc. pursuant to the previous provisions as at the time this Decree enters into force shall submit the information prescribed in the amended provisions of Article 231 (1) 3 within one year after this Decree enters into force.

ADDENDUM <Presidential Decree No. 28864, May 8, 2018>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 29530, Feb. 12, 2019>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 31, 31-5, 265-2, 270-2 and attached Table 5 shall enter into force on July 1, 2019; and the amended provisions of subparagraph 57 of attached Table 3 shall enter into force on January 1, 2020.

**Article 2 (General Applicability)**

This Decree shall begin to apply from portions for the first export declaration, import declaration or return declaration to be filed after this Decree enters into force.

**Article 3 (Applicability to Provision of Monetary Security)**

The amended provisions of Article 10 (2) shall begin to apply from portions for the first monetary security to be provided after this Decree enters into force.

**Article 4 (Applicability to Request for Data to Determine Customs Values on Goods Imported by Persons in Special Relationships)**

The amended provisions of Article 31-5 (1) shall begin to apply from portions for the first assessment of the amount of duties to be conducted after this Decree enters into force pursuant to the proviso to Article 1 of the Addenda.

**Article 5 (Applicability to Request for Disposition to Assess Adjusted Duties)**

The amended provisions of Article 91 (1) 7 shall begin to apply from portions for the first request to take a disposition on assessment of adjusted duties pursuant to paragraph 2 of Article 69 of the Act after this Decree enters into force.

**Article 6 (Applicability to Meetings of Tariff Classification Committee)**

The amended provisions of Article 101 (4) shall begin to apply from cases for the first application for a review of tariff classification to be filed after this Decree enters into force.

**Article 7 (Applicability to Advance Rulings or Review of Advance Rulings on Tariff Classification)**

(1) The amended provisions of Article 106 (4) shall begin to apply from cases for the first application for an advance ruling on tariff classification to be filed after this Decree enters into force.

(2) The amended provisions of Article 106 (6) shall begin to apply from cases for the first the application for a review of tariff classification to be filed on or after January 1, 2019.

(3) The amended provisions of Article 106 (7) shall begin to apply from cases for the first application for a review of tariff classification to be filed after this Decree enters into force.

**Article 8 (Applicability to New Licenses for Downtown Bonded Stores)**

The amended provisions of Article 189-2 shall apply begin to apply from cases for the number of new licenses of downtown bonded stores to be determined after this Decree enters into force.

**Article 9 (Applicability to Declaration on Export, Import or Return)**

The amended provisions of Article 246 (3) shall begin to apply from cases for the first declaration on export, import or return to be filed after this Decree enters into force.

**Article 10 (Transitional Measures concerning Additional Duty Rate on Custom Duties in Arrears)**

Where customs duties are paid or assessed after this Decree enters into force, in cases where the payment deadline has passed or a duty has been refunded before this Decree enters into force, the former provisions shall govern interest rates for the period ranging from the day following the payment deadline or the date of the refund, to the day before this Decree enters into force, notwithstanding the amended provisions of Article 39 (1).