

# ENFORCEMENT DECREE OF THE CUSTOMS ACT

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Presidential Decree No.17166, 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.19507, Jun. 12, 2006  
Presidential Decree No.19513, 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

## CHAPTER I GENERAL PROVISIONS

### SECTION 1 Term and Time Limit

#### Article 1 (Calculation of Time Limit)

(1) The term "day prescribed by Presidential Decree" in [Article 8 \(3\) of the Customs Act](#) (hereinafter referred to as the "Act") means a day determined by the Commissioner of the Korea Customs Service as it is difficult to pay customs duties in normal ways on the day 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 and other inevitable grounds. <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

(2) In the event that declaration, application, approval, permission, acceptance, delivery, notice, notification, payment, etc. under the provisions of the Act are impossible to be made within

the time limit due to a shutdown of the operation of the Comprehensive Customs Duties Information Network of Korea or electronic data-processing facilities and equipment under [Article 327 of the Act](#), which is caused by a power failure, a program error, the abnormal operation of the electronic data-processing facilities and equipment in postal service offices or the Bank of Korea (including its branch offices) and 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 facilities and equipment is repaired into normal operation pursuant to [Article 8 \(4\) of the Act](#) shall be the time limit. <Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 21305, Feb. 4, 2009>

#### **Article 1-2 (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 payment deadline belongs to 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 customhouse for the approval thereof.

(2) The head of the relevant customhouse shall, if 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](#), 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 have passed since the date of approval. <Amended by Presidential Decree No. 22086, Mar. 26, 2010>

(3) With respect to the amount of customs duties on which a duty return is filed for their monthly payment, the head of the relevant customhouse may, when it is deemed necessary, request the relevant customs duty payer to offer the security provided for in [Article 24 of the Act](#).

(4) In the event that any person liable for the payment of customs duties falls under each of the following subparagraphs, the head of the relevant customhouse 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 duty return is filed for their monthly payment, the head of the relevant customhouse shall serve a notice about the payment of such customs duties within 15 days of payment deadline:

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 for the payment of customs duties who has obtained the 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 customhouse to have difficulty in making monthly payments due to business discontinuation, a serious crisis in business management, bankruptcy adjudication, corporation dissolution, etc.

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

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

**Article 2 (Extension of Time Limit due to Force Majeure, etc.)**

(1) The term "force majeure and other grounds prescribed by Presidential Decree" in [Article 10 of the Act](#) means the case falling under any of the following subparagraphs:

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 serious crisis;
4. Where the head of the relevant customhouse recognizes the existence of a cause corresponding to each of subparagraphs 1 through 3.

(2) The head of the relevant customhouse shall extend payment time limit for duty 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 payment time limit for duty extended under [Article 10 of the Act](#) shall file an application containing matters falling under each of the following subparagraphs with the head of the relevant customhouse prior to the expiration of his/her duty payment time limit:

1. The name, domicile and firm name of the person liable for duty payment;
2. The amount of customs duties whose payment time limit 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; and
3. Reasons for extending payment time limit for duty and an extended period.

(4) The head of the relevant customhouse shall, when he/she extends payment time limit for duty in accordance with [Article 10 of the Act](#), serve a duty payment notice on a person liable for duty payment under [Article 39 of the Act](#).

(5) The head of the relevant customhouse may, when he/she deems it necessary to secure claims as he/she extends payment time limit for duty under [Article 10 of the Act](#), get security offered in accordance with [Article 24 of the Act](#).

(6) The head of the relevant customhouse may, 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, cancel the extension of his/ her duty payment time limit:

1. When he/she fails to pay customs duties within a fixed time limit;
2. When he/she is deemed no longer necessary for any extension of his/her duty payment time limit after the value of his/her property has risen and circumstances surrounding him/her have changed; and

3. When the collection of total amount of his/her customs duties is deemed difficult due to the adjudication of bankruptcy against him, the dissolution of his/her corporation and other reasons.

(7) The head of the relevant customhouse shall, when he/she cancels the extension of payment time limit for duty under paragraph (6), serve a duty payment notice as prescribed in [Article 39 of the Act](#) fixing a duty payment time limit not exceeding ten days.

## **SECTION 2 Delivery of Documents, etc.**

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

(1) The term "period fixed by Presidential Decree" in [Article 12 of the Act](#) means a period according to classification falling under any of the following subparagraphs: *<Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19993, Apr. 5, 2007>*

1. Document falling under any of the following items: Five years from the day on which the relevant declaration is accepted:

- (a) Import declaration completion certificate;
- (b) Contracts concerning import transaction or other documents substituting such contracts;
- (c) Contracts related to transactions of intellectual property right or other document substituting such contracts; and
- (d) Data necessary to decide on prices of import goods;

2. Document falling under any one of the following items: Three years from the day on which relevant declaration is accepted:

- (a) Export declaration completion certificate;
- (b) Deleted; *<by Presidential Decree No. 19993, Apr. 5, 2007>*
- (c) Data necessary to decide on prices of export goods; and
- (d) Contracts related to export transactions or other documents substituting such contracts; and

3. Document falling under any one of the following items: Two years from the day on which relevant declaration is accepted:

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

(2) The documents referred to in paragraph (1) may be kept using the data transmission media, including microfilms and optical disks as prescribed by the Commissioner of the Korea Customs Service.

### **SECTION 3 Deleted.**

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

## **CHAPTER II DUTIABLE VALUE AND IMPOSITION AND COLLECTION OF CUSTOMS DUTIES**

### **SECTION 1 Common Provisions**

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

The term "commercial document prescribed by Presidential Decree" in [Article 19 \(1\) 1 \(b\) of the Act](#) means what falls under each of the following subparagraphs:

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

### **SECTION 2 Extinguishment of Duty Payment Liability**

#### **Article 6 (Limitation Period for Imposing Customs Duties)**

In calculating the limitation period for imposing 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 levied: *Provided*, That in the case falling under each of the following subparagraphs, the day prescribed by the relevant subparagraph shall be the day on which customs duties are levied: <Amended by Presidential Decree No. 17467, Dec. 31, 2001>

1. In the case 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 grounds that obligations are not fulfilled, the day following the day on which the ground therefor arises;
3. In case of foreign goods shipped into a bonded construction work site, the day following the day that arrives first from among the days falling under each of the following items:
  - (a) The day on which a report is filed on the completion of a construction work under [Article 211](#); or
  - (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 or unfair refund, etc.

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

(1) The day on which 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>

1. With respect to customs duties that are paid by self-return under [Article 38 of the Act](#), the day following the day on which fifteen days elapse from the day an import declaration is accepted: *Provided*, That in the case of the monthly payment referred to in [Article 1-2](#), the day following the day on which the payment time limit expires;

1-2. With respect to customs duties that are paid in accordance with [Article 38-2 \(4\) of the Act](#), the day after the day following the day on which an application is filed for supplementing or correcting the deficient amount of customs duties;

2. With respect to customs duties that are paid under [Article 38-3 \(1\) of the Act](#), the day after the day following the day on which an amended duty return is filed;

3. With respect to customs duties that are paid by a duty imposition notice under [Article 39 of the Act](#), the day following the day on which fifteen days elapse from the day a duty payment notice is received;

4. With respect to customs duties that are paid under [Article 253 \(3\) of the Act](#), the day following the day on which 15 days elapse from the day an import declaration is filed;

5. With respect to customs duties that are levied by a duty payment notice under other Acts and subordinate statutes, the day following the day on which payment deadline for duty expires, if such duty payment deadline is set.

(2) The day on which the right to request the 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>

1. Where customs duties are refunded upon an application for reassessment under [Article 38-3 \(3\) of the Act](#), the day on which a reassessment decision is made;

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

3. Where customs duties imposed on goods, etc. which are different from terms of a contract under [Article 106 \(1\) of the Act](#) are refunded, the day on which 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 imposed 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 on which the relevant goods are disposed of, destroyed or lost, changed qualitatively or damaged;

3-3. Where any person who sells goods in any general bonded area in tends to get customs duties refunded in accordance with [Article 199-2 of the Act](#) and [Article 216-5](#) (2) of this Decree, the day on which 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 on which 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 on which such amended Act enters into force.

### **SECTION 3 Security for Payment of Customs Duties**

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

#### **Article 9 (Appraisal of Security)**

(1) The appraisal of security under [Article 24 \(1\) 2 and 3 of the Act](#) shall be made according to the following subparagraphs:

1. Securities that have been traded from among securities listed on the Korea Exchange or KOSDAQ pursuant to the [Financial Investment Services and Capital Markets Act](#): Final quotations of the securities published on the preceding day of the day when they are offered 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 offered 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:

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 operator under the [Public Notice of Values and Appraisal of Real Estate Act](#) or standard market prices under the [Local Tax Act](#).

*[This Article Wholly Amended by Presidential Decree No. 21305, Feb. 4, 2009]*

#### **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 customshouse.

(2) 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>

(3) Any person who intends to offer securities under [Article 24 \(1\) 3 of the Act](#) as security shall append a confirmation letter of securities of the relevant securities issuer 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>

(4) Any person who intends to offer customs duties payment guarantee insurance policies under [Article 24 \(1\) 4 of the Act](#) or letters of guarantee for payment of customs duties of guarantors approved by the head of a customhouse pursuant to subparagraph 7 of the same paragraph as security shall append the customs duties payment guarantee insurance policies or letters 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 that 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 of payment has not been determined. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

(5) 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 customhouse shall take steps for registration or record for the establishment of mortgage. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

(6) Deleted. <by Presidential Decree No. 21305, Feb. 4, 2009>

(7) Any person who intends to offer buildings, factory foundations, mining foundations, ships, aircraft or construction machinery insured pursuant to paragraph (5) as security shall submit an insurance policy thereof. In such cases, the term of such insurance shall be obtained by adding not less than 30 days to the period that requires the security. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

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

(9) In the case falling under each of the following subparagraphs, the head of the relevant customhouse 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 is fixed; and

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 customhouse 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) The 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 customhouse 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 customhouse.

#### **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 customhouse 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 customhouse 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 customhouse 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 customhouse 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.

### **SECTION 4 Return and Determination of Dutiable Value**

#### **Article 15 (Return of Dutiable Value)**

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

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

(2) Cases determined and publicly announced by the Commissioner of the Korea Customs Service, and falling under any of the following subparagraphs, all or part of documents falling under 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 condition;
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; and
3. Other cases the Commissioner of the Korea Customs Service determines that there is no difficulty in deciding a dutiable value.

(3) In cases where any persons who intend to file dutiable value returns fall under paragraph (2) 1, the Commissioner of the Korea Customs Service may allow them to collectively file dutiable values, 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 dutiable value return 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 customshouse.

(5) The duty data to be submitted when a dutiable value return is filed under [Article 27 \(2\) of the Act](#) shall be as follows: *Provided*, That in the event that the head of the relevant customshouse deems it clear to determine a dutiable value in light of the transaction of the relevant goods and the method of determining such dutiable 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; and
4. Other materials necessary for verifying contents of the returned dutiable value.

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

(1) The term "where a dutiable value to be returned is not determined and such dutiable value return is prescribed by Presidential Decree" in [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>

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 prior examination on methods of determining a dutiable value is filed under [Article 37 \(1\) 3 of the Act](#); and

3. The head of the relevant customshouse deems it inevitable to file a dutiable value return as a provisional dutiable value return in light of contents of the contract involved and characteristics of the transaction involved.

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

1. Matter of each subparagraph of [Article 15 \(1\)](#);
2. Details of transaction;
3. Reasons for the impossibility of determining a dutiable value;
4. A provisional dutiable value and method for determination thereof; and
5. Estimated time that a dutiable value is definitely determined.

(3) Any person who has filed a provisional dutiable value based on a provisional price shall file a firm dutiable value (hereafter in this Article referred to as the "firm dutiable value") within a period fixed by the head of the relevant customshouse within the scope of 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) The head of the relevant customshouse may, where he/she deems that there exists an unavoidable reason that makes it impossible to determine a provisional dutiable value due to a change in the transaction contract between the buyer and the seller, extend, upon a request from a person liable for duty payment, the fixed period referred to in paragraph (3). In this case, the period ranging from the day of a provisional dutiable value return to the day of a final dutiable value return shall not exceed two years. <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

(5) Any person who intends to file a final dutiable value return in accordance with [Article 28 \(2\) of the Act](#) shall file such return with the head of the relevant customshouse, stating matters falling under each of the following subparagraphs, along with required data as referred in [Article 15 \(5\) 3 and 4](#): <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

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

(6) The provisions of [Articles 33, 34](#) (2) through (4) and [50 through 55](#) shall apply *mutatis mutandis* to a case where the difference between the amount of customs duties that are paid based on a provisional dutiable value return and that of customs duties that are paid based on a final dutiable value return is collected or refunded in accordance with [Article 28 \(4\) of the Act](#).  
<Amended by Presidential Decree No. 19478, May 22, 2006>

#### **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 without compensation;
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; and
7. Goods, including industrial wastes, imported to be disposed of in Korea at the expense of the importer thereof.

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

The term "goods and services prescribed by Presidential Decree" in [Article 30 \(1\) 3 of the Act](#) means the goods and services supplied directly or indirectly by a buyer, which fall under each of the following subparagraphs: <Amended by Presidential Decree No. 18903, Jun. 30, 2005; Presidential Decree No. 20720, Feb. 29, 2008>

1. Materials, components, parts and similar goods combined with imported goods;
2. Tools, molds, dies and 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; and
4. Technology, plan, device, technical art and design for the production of imported goods: *Provided*, That those developed in Korea shall be excluded.

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

(1) The term "other rights similar to them" in [Article 30 \(1\) 4 of the Act](#) means what falls under each of the following subparagraphs:

1. Legal rights such as copyright; and
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 by 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 the case falling under each of the following subparagraphs: <Amended by Presidential Decree No. 18903, Jun. 30, 2005>

1. Where, if the royalty is paid for the right of patent, imported goods fall under each of the following items:
  - (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; and
  - (d) Facilities and equipment, machinery and apparatus (including parts, etc. with major characteristics) designed suitable for the application of the patented method;
2. Where, if the royalty is paid for the right of design, 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. Where, if the royalty is paid for the right of trademark, 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. Where, if the royalty is paid for a copyright, the imported goods contain lyrics, melodies, pictures and computer softwares, etc.;
5. Where, if the royalty is paid for the right of utility model or business secret, such right of utility model or such business secret has a relationship corresponding to that of subparagraph 1 with the imported goods; and
6. Where if the royalty is paid for other rights, 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 the provisions of 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 code number 8523 on the Schedules of Tariff Rates of

the annexed Table of the Act) on which computer software is recorded. <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

(5) In the application of the provisions of paragraph (2), the royalty shall be deemed paid according to the conditions of transaction of the relevant goods in the case 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; and
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) In the event that it is impossible to calculate the freight and insurance bill under paragraph (1), such freight and insurance bill shall be calculated according to what is prescribed by the Commissioner of the Korea Customs Service taking into account the transportation distance and method, etc.

(3) In the event that 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) In the event that the freight of goods falling under each of the following subparagraphs is largely 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 the case where the actual loading quantity falls short of the specially agreed quantity); and
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) The term "other indirect payments" in the main sentence of [Article 30 \(2\) of the Act](#) means payments falling under each of the following subparagraphs:

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 any cost involved in the maintenance bond, in whole or in part, the paid amount;

3. Cost involved in training or education abroad, which is paid by a buyer under transaction conditions of imported goods; and

4. Where a buyer pays financial expenses, etc. which are used to being paid by a seller, the paid amount.

(7) If it is intended to deduct the interest accruing from the deferred payment of imported goods from 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 requirements falling under each of the following subparagraphs:

1. The interest is required to be in distinction from the amount actually paid or payable as the price for imported goods;

2. The interest is required to be confirmed in a written contract; and

3. The relevant goods are required to be sold at a price 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 nation where loans are extended.

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

In the event that 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:

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; and

3. The limit that is made to practically affect the price of the relevant goods.

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

(1) The term "case prescribed by Presidential Decree" in the proviso to [Article 30 \(3\) 1 of the Act](#) means the existence of the limit falling under each of the following subparagraphs:

1. The limit imposed or required by a disposition taken in accordance with Acts and subordinate statutes of Korea;

2. The limit of areas where imported goods are marketable; and
3. The limit deemed by the head of the relevant customshouse not to practically affect the price of imported goods.

(2) In the event that the determination of price of the relevant goods is affected by conditions or circumstances which cannot be counted in terms of money under the provisions of [Article 30 \(3\) 2 of the Act](#), the case falling under each of the following subparagraphs shall be deemed included:

1. Where the price of the relevant goods is determined on 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; and
3. Where the price of the relevant goods is determined on condition that a seller takes a specific quantity of finished goods in return for supplying semi-finished goods to a buyer.

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

(1) The term "special relationship between a buyer and a seller prescribed by Presidential Decree" in [Article 30 \(3\) 4 of the Act](#) means the case falling under each of the following subparagraphs: *<Amended by Presidential Decree No. 19478, May 22, 2006>*

1. Where the buyer and the seller are officers or managers 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 specific person holds or controls, directly or indirectly, not less than 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 other practically and legally and one side controls directly or indirectly other;
6. Where the buyer and the seller are controlled directly or indirectly by the same third person;
7. The buyer and the seller jointly control directly or indirectly the same third person; and
8. Where the buyer and the seller are in the relative relationship falling under each of subparagraphs 1 through 8 of [Article 20 of the Enforcement Decree of the Framework Act on National Taxes](#).

(2) In the event that the buyer and the seller are in the special relationship referred to in paragraph (1), if the price of the relevant goods falls under each of the following subparagraphs, such special relationship shall be deemed not to affect the price of the relevant goods: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Where the price of the relevant goods is determined using the price determination



method ordinarily adopted by the buyer and the seller having no special relationship;

2. Where the price of the relevant goods is determined in a manner in conformity with the normal price determination practice of the industrial sector concerned; and

3. Where the price of the relevant goods is determined at the level of a price close to the price, prescribed by Ordinance of the Ministry of Strategy and Finance, which falls under each of the following items:

(a) The transaction price of the goods identical or similar to the relevant goods in terms of kind and quality, which are exported to a buyer of Korea who has no special relationship; and

(b) The dutiable value of the goods of the same kind and quality or the similar goods, which is determined in accordance with [Articles 33](#) and [34 of the Act](#).

(3) In comparing the price of the relevant goods with the price 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 taken into account.

(4) Any person who intends to be subject to the application of paragraph (2) shall furnish data necessary to verify his/her qualification when he/she files a dutiable value return as prescribed by the Commissioner of the Korea Customs Service.

#### **Article 24 (Scope of Disapproval of Dutiable Value)**

(1) The term "the case where it is difficult to recognize as dutiable value prescribed by Presidential Decree" in [Article 30 \(4\) of the Act](#) means the case falling under each of the following subparagraphs: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Where any dutiable value returned by any person liable for duty payment is substantially different from the dutiable value of the goods of the same kind and quality or the similar goods;

2. Where dutiable values returned by a person liable for duty payment have substantially fluctuated although he/she has continued to import goods from the same supplier;

3. Where the returned dutiable values of goods such as crude oil, minerals and grains are substantially different from their published international market prices;

4. Where there is a wide difference between the previous dutiable value return filed by a person liable for duty payment and a new dutiable value return filed by him/her after he/she changes his/her customer; and

5. Where the case exists that corresponds to the cases of subparagraphs 1 through 4 and is prescribed by Ordinance of the Ministry of Strategy and Finance.

(2) The head of the relevant customhouse shall, when he/she asks a person liable for duty payment to furnish data under [Article 30 \(4\) of the Act](#), make such request in writing, giving reasons therefor and the time required for furnishing such data.

(3) The term "case where it is difficult to accept a value declared by a person liable for duty payment as dutiable value, because of falling under any of other grounds prescribed by

Presidential Decree" in the former part of [Article 30 \(5\) of the Act](#) means a case falling under any one of the following subparagraphs: <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

1. Where data submitted by the person liable for duty payment fail to specifically represent the transaction relations of import goods; and
2. Where there exist other reasonable grounds 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 and Quality)**

The term "goods of the same kind and 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)**

The term "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 aspect, 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) The term "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 their import: *Provided*, That the price fixed according to the following cases shall not be deemed the unit price of goods sold in Korea:

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

(3) The term "imported goods of the same kind and 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) The profit and general expenses as 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 principle and submitted by a person liable for duty payment: *Provided*, That in the case falling under each of the following subparagraphs, the profit and general expenses adjusted according to Ordinance of the Ministry of Strategy and Finance shall be applied: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Where the profit and general expenses which are calculated based on an accounting report compiled by a person liable for duty payment do not fall under the scope of the profit and general expenses ordinarily accruing from the business type of the relevant goods, which are calculated according to what is prescribed by the Commissioner of the Korea Customs Service; and
2. Where a person liable for duty payment fails to present the profit and general expenses.

#### **Article 28 (Expenses necessary for Assembling and Processing Goods and Their Price)**

The expenses necessary for assembling and processing goods and their price under subparagraph 1 of [Article 34 of the Act](#) shall be deemed to include the amount as prescribed in [Article 30 \(1\) 2 of the Act](#) and in the event that the cost required to develop technology, plan, device, design and technical art in Korea is borne by a producer, such cost shall be also deemed included therein. <Amended by Presidential Decree No. 18903, Jun. 30, 2005>

#### **Article 29 (Reasonable Base for Determining Dutiable Value)**

(1) The determination of any dutiable value under [Article 35 of the Act](#) shall be made preferentially according to the method falling under each of the following subparagraphs:

1. The method of flexibly interpreting and applying the requirement as prescribed in [Article 31 \(1\) 1 of the Act](#) in the application of the provisions 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 state as that of the imported goods in the application of the provisions of [Article 33 of the Act](#);
3. The method of determining a dutiable value based on a dutiable value of the goods of the same kind and quality or similar goods, which is deemed a dutiable value under [Article 33](#) or [34 of the Act](#); and
4. The method of not applying the proviso to [Article 27](#) (2).

(2) The determination of any dutiable value under [Article 35 of the Act](#) shall not be based on the price falling under each of the following subparagraphs:

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 dutiable 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 as prescribed in [Article 34 of the Act](#) with respect to the goods of the same kind and 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; and
7. Arbitrary or fictitious price.

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

1. Goods which are qualitatively changed or damaged before an import declaration thereon is filed;
2. Personal effects of travelers or crews, 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; and
7. Other goods deemed by the Commissioner of the Korea Customs Service that they are feared to be cause confusion in determining a dutiable 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 customhouse may, when he/she deems it necessary to ensure conveniences for persons liable for duty payment and speed up customs clearance in the application of [Article 30 \(1\)](#) or [33 \(1\) or \(2\) of the Act](#), set ordinarily recognized additional rates or deduction rates and apply them to the relevant goods.

(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 thereon.

#### **Article 31 (Prior Examination on Methods of Determining Dutiable Value)**

(1) Any person who intends to request prior examination on methods of determining of dutiable 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 customhouse where his/her goods to go through and the details of the application, along with the following documents: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. Basic contract on the trading relation (investment contract, agency contract, technical service contract and technology introduction contract, etc.);

2. Business plan related to the imported goods;
3. Contract on the supply of imported goods;
4. Data used as a basis for determining the price of imported goods; and
5. Other reference materials necessary for determining a dutiable value.

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

(3) The term "period determined by Presidential Decree" as referred to in [Article 37 \(2\) of the Act](#) means the periods according to the following classification. In such case, if the Commissioner of the Korea Customs Service requests to supplement a submitted application or document, such periods shall not counted: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. Cases falling [Article 37](#) (1) 1 and 2: One month; or
2. Cases falling [Article 37](#) (1) 3: One year.

(4) The term "requirements prescribed by Presidential Decree" as referred to in [Article 37 \(3\) of the Act](#) means as follows: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. The applicant under [Article 37](#) (1) shall be the person liable for duty payment;
2. No falsity exists in the details of submitted documents, and the details thereof shall be the same as the dutiable value return;
3. Acts and subordinate statutes and transaction relations, etc., which are the basis of prior examinations, remain the same; and
4. A dutiable value return shall be declared with three years from the date of the notification of results under [Article 37 \(2\) of the Act](#).

(5) Deleted. <by Presidential Decree No. 20624, Feb. 22, 2008>

## **SECTION 5 Imposition and Collection**

### **Article 32 (Payment of Customs Duties by Self-Return)**

(1) Any person who intends to file a duty return in accordance with [Article 38 \(1\) of the Act](#) shall file with the head of the relevant customshouse an import declaration in accordance with [Article 246](#), which contains the matters falling under each of the following subparagraphs in addition to the matters of 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. In the event that 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); and

4. Other matters used as a reference for determining a dutiable 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 a criteria for ways, etc. to examine the amount of customs duties.

#### **Article 32-2 (Self-Regulating Examination)**

(1) In the event that any person liable for the payment of customs duties files an application for performing the self-regulating examination of the amount of customs duties by self-return in accordance with [Article 38 \(3\) of the Act](#), the head of the relevant customhouse may approve him/her as a person liable for the payment of customs duties who is allowed to perform the self-regulating examination 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 a "company eligible for the self-regulating examination"). In this case, the head of the relevant customhouse may consult with any company eligible for the self-regulating examination about ways and schedule, etc. for performing the self-regulating examination.

(2) The head of the relevant customhouse shall furnish every company eligible for the self-examination with materials concerning ways of doing export and import business and the system by which such export and import business is done, etc., which are prescribed by the Commissioner of the Korea Customs Service.

(3) Every company eligible for the self-regulating examination shall make a report to the head of the relevant customhouse on findings of its self-regulating examination and details of measures taken based on the materials furnished by the head of the relevant customhouse under paragraph (2), which contains matters falling under each of the following subparagraph. In this case, every company eligible for the self-regulating examination shall, if it finds any excessive or deficient amount in paid customs duties prior to making the report, file an application for supplementing or correcting the amount, make a report on changing the amount or file a claim for correcting the amount, and if every company eligible for the self-regulating examination finds any excessively refunded amount, it shall notify the head of the relevant customhouse thereof:

1. Findings of the self-regulating examination that are compiled by using the materials furnished by the head of the relevant customhouse under paragraph (2); and

2. Details of measures that are taken with respect to matters needed to supplement the ways of doing the business, the system by which the business is done and the amount of customs duties, etc.

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

(5) The head of the relevant customhouse may ask the relevant company eligible for the self-regulating examination 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-regulating examination. The head of the relevant customhouse may also ask the relevant company eligible for the self-regulating examination to put forward its opinion on improvement ways and schedule, etc., that are necessary to maintain the self-regulating examination.

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

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-regulating examination;
3. Where it fails to submit findings of its self-regulating examination and to meet its obligation, etc. necessary to maintain the self-regulating examination.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **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 duty return from the head of the relevant customhouse 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 customhouse after putting his/her signature or seal to the corrected portion.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **Article 32-4 (Supplement and Correction of Amount of Customs Duties)**

(1) The head of the relevant customhouse shall, when he/she notifies the supplement and correction of the amount of customs duties under the former part of [Article 38-2 \(2\) of the Act](#), serve a supplement and correction 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 supplement and collection thereof;
3. The tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods after making the supplement and correction thereof;
4. The grounds of supplement and correction and the term of supplement and correction;
5. Other reference matters.

(2) Any person, who intends to supplement and correct the amount of customs duties he/she

has paid by self-return in accordance with [Article 38-2 \(1\) and the latter part of \(2\) of the Act](#), shall have an import declaration form he/she has submitted issued from the head of the relevant customhouse after filing an application with the head of the relevant customhouse for the supplement and correction of the amount of his/her customs duties and then supplement and correct the tariff classification, the duty base, the tariff rate, the amount of customs duties and other related matters that are to be entered in the import declaration and then submit it to the head of the relevant customhouse after signing his/her signature or stamp a seal on the supplementation and corrections.

(3) "Cases prescribed by Presidential Decree, such as submission of data by false or other illegal means or the cases of apparent omissions of duty" in the proviso to [Article 38-2 \(3\) of the Act](#) means any of the following cases:

1. Where false, counterfeit or forged materials are submitted to the head of the relevant customhouse;

2. Where an omission in the amount of customs duties is confirmed as a result of an investigation conducted pursuant to this Act and other Acts and subordinate statutes.

(4) [Article 56 \(2\)](#) shall apply *mutatis mutandis* to the calculation of interest rate that has 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 the exemption from the amount to be added to the shortage of duty amount pursuant to [Article 38-2 \(5\) 2 of the Act](#) shall file an application indicating the following matters with the head of the relevant customhouse. In such cases, the evidentiary data related to the matters under subparagraphs 2 and 3, if any, may be attached: <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. Reasonable grounds.

(6) The head of a customhouse shall, upon the receipt of the application under paragraph (5), notify, in writing, whether to grant the exemption within 20 days from the application date. <Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

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

(1) In cases where a tax amount (referring to an amount obtained by summing up the amount of internal taxes, etc. collected by the head of a customhouse and the amount of customs duties) declared by a person liable for duty payment, or imposed or reassessed and notified by the head of a customhouse pursuant to [Article 38 \(6\) of the Act](#) is not more than five million won, it may be paid by credit card, debit card or such (hereafter referred to in this Article as "credit card, etc."). <Amended by Presidential Decree No. 22086, Mar. 26, 2010>

(2) A national tax payment agency under [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 in this Article as a "customs duty payment agency")



as prescribed by Ordinance of the Ministry of Strategy and Finance as an agency performing the settlement of accounts by credit card, etc. by making use of the information and communications network.

(3) A customs duty payment agency may receive agency fees for payment from taxpayers as a consideration for agency of 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 kinds of credit card, etc. which are used for payment of customs duties and other matters necessary for the payment of customs duties.

*[This Article Newly Inserted by Presidential Decree No. 21305, Feb. 4, 2009]*

#### **Article 33 (Amended Duty Return)**

Any person who intends to file an amended duty return in accordance with [Article 38-3 \(1\) of the Act](#) shall file such amended duty return containing the matters falling under each of the following subparagraphs with the head of the relevant customhouse: <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 duty return is filed;
3. Tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods after an amended duty return is filed;
4. The amount of additional duty of the relevant goods;
5. Other reference matters.

#### **Article 34 (Correction of Returned Duty Amount)**

(1) Any person who intends to file an application for correcting a returned duty amount in accordance with [Article 38-3 \(2\) of the Act](#) shall file such application containing the matters falling under each of the following subparagraphs with the head of the relevant customhouse: <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 correction is made;
3. Tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods after the relevant correction is made;
4. Reasons for such correction;
5. Other reference matters.

(2) The head of the relevant customshouse shall, when he/she intends to correct the amount of customs duties in accordance with [Article 38 3 \(3\) of the Act](#), deliver a written correction notice stating the matters falling under each of the following subparagraphs to a person liable for duty payment: *<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 correction is made;
3. Tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods after the relevant correction is made;
4. The amount of an additional duty;
5. Reasons for such correction;
6. Other reference matters.

(3) In the event that the deficient amount of customs duties paid or payable is corrected under paragraph (2), a duty payment notice under [Article 36](#) shall be served on a person liable for duty payment with respect to such deficiency.

(4) The head of the relevant customshouse shall, when he/she finds that the amount of customs duties is excessive or deficient after making a correction according to paragraph (2), correct again the corrected amount of customs duties.

**Article 35 Deleted.** *<by Presidential Decree No. 18333, Mar. 29, 2004>*

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

The head of the relevant customshouse 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 in the event that a customs officer who inspects goods receives customs duties thereon in accordance with [Article 43 of the Act](#), the head of the relevant customshouse 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 Duty)**

(1) The amount of customs duties that the head of the relevant customshouse 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) In the event that 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 (Surcharge)**

[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.

### **Article 39 (Additional Duty)**

(1) "Interest rate that is prescribed by Presidential Decree" in the formula provided for in [Article 42 \(1\) 2 of the Act](#) means the rate of 13/100,000 per day. <Amended by Presidential Decree No. 19478, May 22, 2006>

(2) In each of the following cases, no additional duty shall be imposed in accordance with the proviso to [Article 42 \(1\) of the Act](#): <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010>

1. Where a deficiency exists in the amount of customs duties before an import declaration is accepted in accordance with [Article 9 \(2\) of the Act](#) and a person liable for duty payment files an amended duty return on the amount of the relevant customs duties before an import declaration is accepted or the head of the relevant customhouse makes a correction thereon;

2. Where a person liable for duty payment files a duty return based on a provisional dutiable value return 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 furnished by a person liable for duty payment is found to be different from the fact and than the reason for additional collection of customs duties ensues;

3. Where a deficiency is caused by the erroneous application of goods subject to the reduction or exemption of customs duties, from 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;

4. Where [Article 41 \(1\) through \(3\) of the Act](#) are not applied in accordance with paragraph (4) of the same Article;

5. Where the person liable for payment of duties has reasonable grounds for deficiency in the paid amount of returned duties.

(3) "Method prescribed by Presidential Decree" in [Article 42 \(2\) of the Act](#) means a case falling under any of the following subparagraphs: <Newly Inserted by Presidential Decree No. 21305, Feb. 4, 2009>

1. Preparation or receipt of a false certificate or false document, such as a double invoice and double contract;
2. Destruction of data required for assessment of tax amount;
3. Manipulation or concealment of acts or transactions which become grounds of the

imposition of customs duties;

4. Other unjust acts to evade or get refund of customs duties.

(4) [Article 32-4](#) (5) and (6) shall apply *mutatis mutandis* to the procedures for exempting from the imposition of additional duties under paragraph (2) 5. <Amended by Presidential Decree No. 22086, Mar. 26, 2010>

#### **Article 40 (Handing Over of National Tax in Arrears)**

The head of a customhouse shall, when the national tax he/she collects in accordance with [Article 4 of the Act](#) is in arrears, hand over the national tax in arrears to the head of another customhouse having jurisdiction over the residence of a person liable for payment of duties, if deemed necessary considering the efficiency of tax collection.

*[This Article Wholly Amended by Presidential Decree No. 22086, Mar. 26, 2010]*

#### **Article 41 (Write-Off)**

The head of the relevant customhouse shall, when he/she intends to write off any customs duties in accordance with [Article 44 \(1\) 4 of the Act](#), confirm the whereabouts of a delinquent duty payer and investigate whether he/she has property with the help of any local administrative agency or any financial institution: *Provided*, That the same shall not apply where the amount of the customs duties in arrears (including the internal tax collected by the head of the relevant customhouse) is not more than 500,000 won.

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

(1) Any customs duties arrearages adjustment committee (hereinafter referred to as the "customs duties arrearages adjustment committee") shall be established in every customhouse 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 customhouse, and the members shall be appointed or commissioned by the head of each customhouse 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.

#### **Article 43 (Dismissal of Members)**

The head of each customhouse may, when any member commissioned by him/her from

among the members of each customs duties arrearages adjustment committee falls under any of the following subparagraphs, dismiss such member:

1. When he/she does not reside in the jurisdictional area;
2. When he/she loses his/her status as an attorney, licensed customs agent, certified public accountant, or certified tax accountant;
3. When he/she is delinquent in customs duties or national taxes;
4. When he/she damages his/her dignity as a member.

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

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

(2) In the event that the chairman 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 chairman shall act on behalf of the chairman in performing the duties.

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

(1) The chairman of each customs duties arrearages committee shall, in cases 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 subparagraphs, call a meeting and preside over such meeting: <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 21305, Feb. 4, 2009>

1. Where it is intended to suspend a disposition taken against customs duties (including the internal tax collected by the head of any customshouse; hereinafter the same shall apply) according to an example of the [National Tax Collection Act](#);

2. Where it is intended to make disposition on deficits of customs duties pursuant to [Article 44 \(1\) 4 of the Act](#).

(2) Any meeting of the customs duties arrearages adjustment committee shall open with the attendance of a majority of the total members and pass a resolution with the concurrent vote of a majority of those present.

(3) Any member of the customs duties arrearages adjustment committee shall be prohibited from attending any meeting held to deliberate on the adjustment of customs duties in arrears involving himself or his/her relatives.

#### **Article 46 (Seeking Opinion)**

Every customs duties arrearages adjustment committee may, when it is 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 chairman 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 chairman 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 at meetings of each customs duties arrearages adjustment committee may be paid allowances within the limit of budget.

#### **Article 50 (Application for Refund of Customs Duties Overpaid by Mistake)**

Any person who intends to get any customs duties, any surcharge or any cost of a disposition taken for recovery of arrearages refunded, all overpaid by mistake under [Article 46 \(1\) of the Act](#), shall file with the head of the relevant customshouse an application stating the name, standard, quantity, the date and number of an import declaration of the relevant goods, the reason for applying for the refund and the amount he/she wants to be refunded.

#### **Article 51 (Notice of Customs Duties Overpaid by Mistake)**

(1) The head of the relevant customshouse shall, when he/she learns the fact of customs duties overpaid by mistake, notify the person holding the right to claim the refund thereof of the amount and the reason, etc.

(2) The head of the relevant customshouse shall keep a book and a supplementary book on the determination of customs duties overpaid by mistake and enter necessary matters in such book.

(3) The head of the relevant customshouse shall compile a monthly report on the determination of customs duties overpaid by mistake and file such report with the Minister of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(4) The head of the relevant customshouse shall submit the account statement on the determination of the amount of customs duties overpaid by mistake and evidential documents thereof to the Board of Audit and Inspection as prescribed by the Chairman of the Board of Audit and Inspection.

#### **Article 52 (Notification on Appropriation of Customs Duties Overpaid by Mistake)**

The head of the relevant customshouse shall, when he/she appropriates any customs duties overpaid by mistake for any payments in accordance with [Article 46 \(2\) of the Act](#), notify the right holder of the fact: *Provided*, That in the event that such appropriation is made upon a request of the right holder, such notification shall be omitted.

#### **Article 53 (Transfer of Right on Customs Duties Overpaid by Mistake)**

Any person who intends to transfer his/her right on customs duties overpaid by mistake to

a third person shall furnish a document stating the matters falling under each of the following subparagraphs, appended by a certificate of a seal impression, to the head of the relevant customshouse:

1. Domicile and name of a transferor;
2. Domicile and name of a transferee;
3. Reason for overpaying customs duties by mistake; and
4. Amount of customs duties overpaid by mistake.

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

(1) The head of the relevant customshouse shall, when he/she determines the amount of customs duties overpaid by mistake, send without any delay an instruction for the payment of a refund to a person entitled for such refund to the Bank of Korea (including any national treasury agency; hereafter the same shall apply) and serve a refund notice stating contents and method of such refund on the person entitled for the refund.

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

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

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

(5) Any person who intends to get any customs duties, any surcharge or any cost of a disposition taken for recovery of arrearages refunded, all paid by mistake, may, if he/she files an application as prescribed by [Article 50](#), apply to the head of the relevant customshouse 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 making a report thereon to the head of the relevant customshouse.

(6) The head of the relevant customshouse shall, upon receiving the application under paragraph (5), send the payment instruction stating the contents of application to the Bank of Korea under paragraph (1). In this case, the head of the relevant customshouse shall append a written treasury remittance request or a written treasury receipt request to such payment instruction.

(7) The Bank of Korea shall, upon receiving the payment instruction from the head of the relevant customshouse under paragraph (6), 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 notify the head of the relevant customshouse of the fact.

(8) Any branch of the Bank of Korea shall, upon receiving the remittance of the refund under paragraph (7), 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 customshouse, for which payment instructions are given, during the current fiscal year to the unpaid customshouse 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 customshouse 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) In the event that any person who is entitled to get customs duties overpaid by mistake refunded fails to get such customs duties refunded within one year from the day on which a payment instruction thereon is issued, he/she may ask the head of the relevant customshouse to retake procedures for such refund and the head of the relevant customshouse shall investigate and confirm such fact and then take measures for the payment of the refund in question.

#### **Article 56 (Determination of Refund Surcharge)**

(1) The head of the relevant customshouse shall, when he/she appropriates or refunds customs duties under [Article 46 of the Act](#) or collects any overly refunded customs duties under [Article 47 \(1\) of the Act](#), determine a surcharge thereon under [Article 47 \(2\) or 48 of the Act](#).

(2) The rate of interest on the surcharge referred to in paragraph (1) shall be the interest rate that the Commissioner of the National Customs Service fixes and publishes by taking into account the average rate of interest on time deposit with one-year maturity in any bank that is authorized to run the 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>

## **CHAPTER III TARIFF RATES AND TARIFF CLASSIFICATION**

### **SECTION 1 Common Provisions**

#### **Article 57 (Suspension of Application of Provisional Tariff Rates)**

(1) The ministers of ministries concerned with 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 the "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 ministries concerned or interested persons shall, when they make a request referred to 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>

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; and
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., ask 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>

## **SECTION 2 Adjustment of Tariff Rates**

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

(1) The term "normal price prescribed by Presidential Decree" in [Article 51 of the Act](#) means the ordinary transaction price of the goods of the same kind consumed in the exporting country of the relevant goods: *Provided*, That in the event that the goods of the same kind are not transacted in such exporting country or the ordinary transaction price 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) In the event that the relevant goods are imported not directly from the country of origin, but through a third country, the ordinary transaction price 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 price in the third country, the ordinary transaction price in the country of origin shall be deemed the normal price.

(3) In the event that 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 price, 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 price of the goods of the same kind, which are consumed in market economy countries other than Korea; and

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) The term "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. In the event that imported goods are resold first to a buyer with no special relation or no compensation agreement, the price calculated based on the resale price as prescribed by Ordinance of the Ministry of Strategy and Finance; and

2. In the event that 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 this case, if the physical characteristics, sale quantity and sale conditions of the relevant goods, a disparity in the imposition 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 Imposition 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 levy 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 levy 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; 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) The term "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 this case, 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 a fact of receiving such investigation application: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Three copies of an application stating the matters falling under each of the following items:

(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) In the event that matters entered in an application and appended data need to be kept confidentially, the reasons therefor;

(h) Other matters deemed as 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 (Investigation of Dumping and Material Injury, etc.)**

(1) The Trade Committee shall, upon receiving a request for an investigation under [Article 59](#) (1), decide whether to make an investigation into the fact of dumping and the fact of damage, etc. caused thereby and notify the Minister of Strategy and Finance the result thereof and the matters falling under each of the following subparagraphs 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 (in the event that goods subject to the investigation are many in number, goods selected according to what is prescribed by Ordinance of the Ministry of Strategy and Finance);

2. Period for which the investigation is conducted;

3. Suppliers subject to the investigation (in the event that suppliers subject to the investigation are many in number, suppliers selected according to what is prescribed by Ordinance of the Ministry of Strategy and Finance).

(2) In deciding whether to start an investigation under paragraph (1), the Trade Committee shall, if an investigation application falls under any of the following subparagraphs, turn down 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 imposition 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 is 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) The Trade Committee shall, when it determines to commence an investigation under paragraph (1), 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 publish such matters in the Official Gazette within ten days from the day on which the decision whether to commence the investigation is made.

**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 this case, the Trade Committee may, when it is 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 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 to take measures described in [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 it is 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) The Trade Committee shall, when 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, 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 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) The Trade Committee may, when it is 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 justifiable grounds, extend the investigation period by up to two months.

(7) The Minister of Strategy and Finance shall determine whether to levy anti-dumping duties and substances thereof within one month and 20 days from the date on which the results of a full-scale investigation under paragraph (5) are received and take a measure to levy anti-dumping duties in accordance with [Article 51 of the Act](#). *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010>*

(8) The Minister of Strategy and Finance shall take a measure to levy anti-dumping duties in accordance with paragraph (7) within one year from the day on which the relevant matters are published in the Official Gazette under [Article 60](#) (3): *Provided*, That when special grounds are deemed existent, notwithstanding [Article 60](#) (1) and [61](#) (2) and (5) through (7), the Minister of Strategy and Finance may take a measure to levy the anti-dumping duties within 18 months from the day on which the relevant matters are published in the Official Gazette. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(9) The Trade Committee may, when it is deemed necessary, recommend the matters falling under each of the following subparagraphs 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>*

1. The imposition of anti-dumping duties under [Article 51 of the Act](#);
2. The provisional measure under [Article 53 \(1\) of the Act](#);
3. The proposal of promise under [Article 54 \(1\) of the Act](#).

(10) In addition to the matters prescribed by this Decree, other necessary matters on 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 Imposing 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 this case, the Trade Committee may, when it receives such written notice before the results of a preliminary investigation under [Article 61](#) (2) are reported, suspend the decision whether to commence an investigation under [Article 60](#) (1) or terminate the preliminary investigation under [Article 61](#) (2) after consulting with the Minister of Strategy and Finance and the heads of administrative agencies concerned. The Trade Committee shall, when it receives such written notice after the results of a preliminary investigation under [Article 61](#) (2) are reported, 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 later 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 (Decision Whether to Exist Material Injury, etc.)**

(1) The Trade Committee shall, when it investigates and decides whether to exist the fact of material injury, etc. in accordance with [Article 61](#), do so based on concrete evidence and the matters falling under each of the following subparagraphs:

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; and

5. The actual and potential effect of the contents of subparagraphs 1 and 2 on the domestic industry.

(2) In the event that the material injury, etc. is investigated and determined in accordance with paragraph (1), the decision on whether the domestic industry is feared to suffer the material injury, etc. shall be made based on the fact, including the matters falling under each of the following subparagraphs, 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; and

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; and

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) The Minister of Strategy and Finance or the Trade Committee may, when he/she or it deems it necessary for the investigation under [Article 52 of the Act](#) and for the decision whether to impose anti-dumping duties, etc., ask administrative agencies concerned, domestic producers, suppliers, importers and interested persons to furnish relevant data and cooperate with him/her and it: *Provided*, That when any supplier is inquired whether he/she has been involved in dumping goods or not, 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 asks 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 justifiable grounds 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 this case, 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) In the event that any person who has furnished the data refuses to disclose such data without any justifiable reasons 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 deciding whether to investigate or levy anti-dumping duties under [Article 52 of the Act](#), the Minister of Strategy and Finance or the Trade Committee may, if any interested person fails to furnish the relevant data or rejects or obstructs an investigation conducted by the Trade Committee and it is difficult to investigate or verify any data because of other reasons, decide whether to take measures to prevent any dumping using data available. <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 that he/she or it has acquired from any interested person and facts that he/she or it has learned in connection with procedures for the imposition of anti-dumping duties for other purposes. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(7) In the event that 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 this case, 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 it is 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 65 (Imposition of Anti-Dumping Duties)**

(1) Any anti-dumping duties prescribed in [Article 51 of the Act](#) shall be levied 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 any justifiable reasons or refuses to disclose such data and it is difficult 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 levied on 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 levied on 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) In the event that anti-dumping duties are imposed on 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 a supplier who is subject to the anti-dumping duties under paragraph (1), anti-dumping duties shall be levied on the former based on the rate of anti-dumping duties or the base import price applied to the latter: *Provided*, That if such new supplier proves that he/she is not in a special relation with such supplier, anti-dumping duties may be levied on 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 customhouse may receive security from a person who imports goods supplied by the new supplier and then defer the imposition 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 by 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 promise 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 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) In the event that 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 in accordance with conventions if the Minister of Strategy and Finance deems it necessary to do so. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(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) In the event that the amount of anti-dumping duties levied 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. In the event that 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) In the event that security offered under [Article 53 \(1\) of the Act](#) falls under [Article 69](#) (1), the amount of anti-dumping duties to be levied 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) In the event that the promise 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 antidumping duties, a difference accruing from the two different rates shall not be collected. In the event that 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 (Promise of Price Adjustment and Export Suspension)**

(1) In the event that an exporter of any goods on which an investigation is launched to decide whether to levy anti-dumping duties thereon intends to propose the promise 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 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 61](#) (5). In this case, the Trade Committee shall serve without any delay original copies of documents submitted on the Minister of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(2) In the event that the promise 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 promise, the Minister of Strategy and Finance may accept such promise: *Provided*, That the same shall not apply to a case where it is deemed difficult to secure the fulfillment of such promise, 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 it is 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 promise under paragraph (2) or propose the promise 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) In the event that any exporter fails to fulfill his/her promise accepted under [Article 54 \(2\) of the Act](#), the Minister of Strategy and Finance may promptly take measures to prevent any dumping, including taking the provisional measures, on the basis of the best available information. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(6) In the event that 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 promise 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 promise, the Minister of Strategy and Finance may keep the promise fulfilled for a properly fixed period and, if the exporter refuses to fulfill his/her promise, the Minister of Strategy and Finance may promptly take 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 Imposition 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 levied shall be as follows: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. In the event that 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. In the event that it is necessary to levy 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. In the event that the material injury, etc. caused by the import of goods subject to the application of the provisional measure in violation of the promise described in [Article 54 \(1\) of the Act](#) is confirmed, goods imported since 90 days prior to the day on which the provisional measure is applied. In this case, goods imported before the day on which the promise is broken shall be excluded;

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 imposition 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 (Re-Examination of Anti-Dumping Duties and Promise)**

(1) The Minister of Strategy and Finance shall, if it is deemed necessary, or any interested person or the competent minister in charge of the relevant industry files a request, with evidential data appended with respect to the case falling under any of the following subparagraphs, determine whether to re-examine the goods on which anti-dumping duties are levied or the promise is carried out 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, after anti-dumping duties are imposed and the promise is fulfilled, circumstantial changes fully deemed necessary to modify the contents thereof take place;

2. Where a 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 promise;

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 referred to in paragraph (1) may be made after the expiration of one year from the day on which the relevant antidumping duties are imposed or the promise is put into force and such request shall be made before six months from the day on which the effect of anti-dumping duties or the promise is lost. In such cases, the Minister of Strategy and Finance shall determine whether to perform re-examination within two months from the day on which a request is filed for such review, notify the matters on the decision of re-examination to the person who has requested the re-examination, the government of the supplying country of the relevant goods and the supplier, and other interested persons, and then 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 case of the review under paragraph (1), the Minister of Strategy and Finance may re-examine the appropriateness of any anti-dumping duties and any promise in force, and to that end, he/she shall re-examine the dumping price in connection with the contents of anti-dumping duties or the promise (including contents 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) The Minister of Strategy and Finance may, when he/she decides whether the re-examination is required pursuant to paragraph (1) or (3), consult with the heads of administrative agencies concerned and the Trade Committee and when he/she determines that such re-examination is required, the Trade Committee shall investigate any anti-dumping duties and any promise. In such cases, such investigation shall be limited to the part of any anti-dumping duties and any promise, 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 such investigation is launched and report the results thereof to the Minister of Strategy and Finance: *Provided*, That the Trade Committee may, when it is necessary to extend the investigation period or any interested person requests the extension

thereof, citing justifiable grounds, 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 provided for in [Article 56 \(1\) of the Act](#) is required, take such measure within one month and 20 days from the date on which the results of the investigation referred to in paragraph (5) are reported. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010>

(7) In the event that the review is conducted for the reason of paragraph (1) 2, even if 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) In the event that the Minister of Strategy and Finance imposes new anti-dumping duties or enforces such promise as price adjustment or export suspension for goods, which anti-dumping duties have been continuously imposed upon under paragraph (7) during reviews, 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) The Minister of Strategy and Finance may, when it is judged as a result of the review under paragraph (1) or (3) that the effectiveness of the promise is lost or feared to be lost, request any exporter who is committed to the promise to modify such promise and, if the exporter refuses to modify the promise, take an anti-dumping measure against him/her 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 results thereof to him/her for the review referred to in paragraph (1) or (3). <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(11) [Article 64](#) shall apply *mutatis mutandis* to the request for the cooperation to data required to conduct an investigation under paragraph (4), [Article 65](#) shall apply *mutatis mutandis* to the imposition of anti-dumping duties, among measures taken by the Minister of Strategy and Finance as a result of the re-examination under [Article 56 \(1\) of the Act](#), and the former part of [Article 68](#) (1), [Article 68](#) (2), (3), (5) and (6) shall apply *mutatis mutandis* to the promise 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) The Minister of Strategy and Finance shall, when he/she takes the measure falling under each of the following subparagraphs, publish contents thereof in the Official Gazette and serve a notice thereon in writing on any interested person: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010>

1. When he/she decides to take the measure as prescribed in [Articles 51](#) and [53 \(1\) of the Act](#) or decides not to take such measure;
2. When he/she suspends or terminates an investigation after accepting the promise as prescribed in [Article 54 \(1\) of the Act](#) or continues the investigation;
3. When he/she modifies the contents of an anti-dumping measure as a result of the re-

examination under [Article 56 \(1\) of the Act](#);

4. When 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 contents thereof: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. When an investigation application is turned down under [Article 60](#) (2) or an investigation is terminated under [Article 61](#) (4);

2. When a preliminary decision is made according to the results of a preliminary investigation under [Article 61](#) (2);

3. When a final decision is made according to the results of a full-scale investigation under [Article 61](#) (5);

4. When the investigation period is extended in accordance with [Article 61](#) (6) and the proviso to [Article 70](#) (5);

5. When the period is extended in accordance with [Article 61](#) (8);

6. When a decision on whether to commence an investigation is suspended or an investigation is terminated after a request for imposing anti-dumping duties is withdrawn under [Article 62](#);

7. When the application period of the provisional measure is extended under [Article 66](#) (2) or (3);

8. When the Minister of Strategy and Finance proposes the promise under [Article 68](#) (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 61](#) 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 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. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(2) The term the "nature of specification" in paragraph (1) means a case 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 Imposition 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 levy 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 levy 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 exclude; hereafter the same in this paragraph shall apply) 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) The term "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 matters falling under each of the following subparagraphs, 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 and 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 and quality for the relevant investigation application;

8. If appended data are required to be handled confidentially, the reasons therefor; and
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), decide whether to investigate the fact of importing goods for which subsidies, etc. are paid and the fact of material injury, etc. caused thereby, and notify the Minister of Strategy and Finance of the results of such investigation and the matters falling under each of the following subparagraphs 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; and
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 deciding whether to commence an investigation under paragraph (1), the Trade Committee may, if an investigation application falls under any of the following subparagraphs, turn down 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 imposition 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; and
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 this case, the Trade Committee may, when it is 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 imposition 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 it is deemed necessary, be extended within the limit of 20 days. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(4) In the event that 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 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 justifiable reasons, extend such period within the limit of two months.

(7) The Minister of Strategy and Finance shall decide whether to levy a countervailing duty and the contents thereof, and take a measures to impose 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 it is 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 levy 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 impose 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, when it is deemed necessary, recommend the matters falling under each of the following subparagraphs 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 imposition of a countervailing duty under [Article 57 of the Act](#); and
3. The proposal of the promise under [Article 60 \(1\) of the Act](#).

#### **Article 76 (Withdrawal of Request for Imposition 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 this case, the Trade Committee may, when it receives a written withdrawal notice before the results of a preliminary investigation under [Article 75 \(2\)](#) are reported, suspend the decision whether to commence an investigation under [Article 74 \(1\)](#) or terminate the investigation under [Article 75 \(2\)](#) after consulting with the Minister of Strategy and Finance and the heads of administrative agencies concerned, and when it receives such written withdrawal notice after the results of such preliminary investigation are reported, 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 later 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) The Trade Committee shall, when it investigates and decides on the fact of material injury, etc. in accordance with [Article 75](#), do so based on substantial evidence, including the matters falling under each of the following subparagraphs:

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; and

5. The actual and potential effect of the contents of subparagraphs 1 and 2 on the domestic industry.

(2) In the event that material injury, etc. is investigated and decided under paragraph (1), any decision on whether the domestic industry is feared to suffer material injury, etc. shall be made based on the fact including the matters falling under each of the following subparagraphs other than the matters of each subparagraph of paragraph (1) and the injury caused by any goods for which subsidies, 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; and
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 whether to exist the fact of material injury, etc. under paragraph (1), the Trade Committee may, in the event that goods imported simultaneously from not less than two countries are subjected to an investigation and fall under each of the following subparagraphs, 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; and
  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) The Minister of Strategy and Finance or the Trade Committee may, if he/she or it is deemed necessary to decide whether to commence the investigation as prescribed in [Article 58](#)

[of the Act](#) and to levy a countervailing duty, etc., ask administrative agencies concerned, the government of any exporting country, any exporter, any importer and any interested person to provide necessary cooperation, including furnishing related data: *Provided*, That the Minister of Strategy and Finance or the Trade Committee, if he/she or it inquires of the government of any exporting country or any exporter about whether subsidies, etc. are paid or not, shall give it or him/her a period of not less than 40 days for answering such inquiries. If 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 justifiable grounds, 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 this case, 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) In the event that any person who has furnished the data refuses to disclose such data without any justifiable reasons 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 to investigate or levy a countervailing duty under [Article 58 of the Act](#), the Minister of Strategy and Finance or the Trade Committee may, if any interested person fails to furnish the relevant data or rejects or obstructs an investigation conducted by the Trade Committee and it is difficult to investigate or verify any data because of other reasons, decide whether to take a measure to levy a countervailing duty using available information, 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 that he/she or it has acquired from any interested person and facts that he/she or it has learned in connection with procedures for the imposition of any countervailing duty. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(7) In the event that 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 this case, 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 it is 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 (Imposition of Countervailing Duty)**

(1) Any countervailing duty as prescribed in [Article 57 of the Act](#) may be levied 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 any justifiable reasons or refuses to disclose such data and it is difficult 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 levied on 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 levied on 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) In the event that a countervailing duty is imposed on 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 exporter who is subject to the imposition of a countervailing duty under paragraph (1), a countervailing duty shall be levied on the former based on the rate of countervailing duty applied to the latter: *Provided*, That if such new exporter proves that he/she is not in a special relation with such exporter, a countervailing duty may be levied on him/her based on the rate of countervailing duty which is separately prescribed as a result of an investigation. In this case, the method of and procedures for the relevant investigation may be different from the existing method and procedures under the conditions 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 Measure)**

(1) In the event that 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 Promise of Price Adjustment)**

(1) In the event that the government of an export country or an exporter of any goods on which an investigation is launched to decide whether to levy a countervailing duty intends to propose the promise 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](#), it or he/she 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 this case, 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) In the event that the promise offered under paragraph (1) falls under each of the following subparagraphs, the Minister of Strategy and Finance may accept such promise: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Where the promise is to adjust the price without any delay;
2. Where the promise is to abolish or cut subsidies, etc, within six months from the day on which such promise is given; and
3. Where the promise 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 promise is given.

(3) The Minister of Strategy and Finance may, when it is deemed necessary, designate the government of an export country or an exporter and then propose that such government or such exporter make the promise 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 promise under paragraph (2) or propose the promise 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) In the event that the government of any exporting country or any exporter fails to fulfill the promise accepted under [Article 60 \(2\) of the Act](#), the Minister of Strategy and Finance may promptly take a measure to levy 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) In the event that 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 promise 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 promise, the Minister of Strategy and Finance may keep the promise fulfilled for a properly fixed period and, if the government of any exporting country or any exporter refuses to fulfill the promise, the Minister of Strategy and Finance may promptly take a measure to levy 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 Imposition 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 levied shall be as follows: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. In the event that 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. In the event that it is necessary to levy 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. In the event that the material injury, etc. caused by the import of goods subject to the application of the provisional measure in violation of the promise 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 this case, goods imported before the day on which the promise is broken shall be excluded; and

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 imposition 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) In the event that the amount of a countervailing duty levied 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. In the event that 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) In the event that security offered under [Article 59 \(1\) of the Act](#) falls under [Article 82](#) (1), the amount of a countervailing duty to be levied 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) In the event that the promise 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 fullscale 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 Promise)**

(1) The Minister of Strategy and Finance shall, if it is deemed necessary, or any interested person or the minister of the ministry in charge of the relevant industry files a request, appended by evidential data with respect to the case falling under each of the following subparagraphs,

decide whether to reexamine the goods on which a countervailing duty is levied or the promise is carried out under [Article 62 \(1\) of the Act](#): <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Where, after a countervailing duty is imposed and the promise is carried out, 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 promise; and

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 made after the expiration of one year from the day on which a countervailing duty or the promise is put into force and such request shall be made before six months from the day on which the effect of any countervailing duty or the promise is lost. In this case, the Minister of Strategy and Finance shall decide 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 the case of the review under paragraph (1), the Minister of Strategy and Finance may reexamine the appropriateness of any countervailing duty and any promise in force, and to that end, he/she shall reexamine 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 promise is put into force in connection with the contents of such countervailing duty or such promise (including contents modified according to the review). <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(4) The Minister of Strategy and Finance may, when he/she decides whether the review is required or not under paragraph (1) or (3), 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 promise. In this case, 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 such investigation is launched and report the results thereof to the Minister of Strategy and Finance: *Provided*, That the Trade Committee may, when it is necessary to extend the investigation period or any interested person requests the extension thereof, citing justifiable grounds, 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 it is deemed necessary, extend the period of one month within the limit of 20 days. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(7) In the event that 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) The Minister of Strategy and Finance may, when it is judged as a result of the review



under paragraph (1) or (3) that the effectiveness of the promise is lost or feared to be lost, ask the government of any exporting country or any exporter that is carrying out the relevant promise to modify such promise and, if the government of such exporting country or such exporter refuses to modify the promise, take a countervailing duty measure against it or him/her 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 the measure falling under each of the following subparagraphs, publish contents thereof in the Official Gazette and serve a notice thereon in writing on any interested person: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. When he/she decides to take the measure as prescribed in [Articles 57](#) and [59 \(1\) of the Act](#) or decides not to take such measure;
2. When he/she suspends or terminates an investigation after accepting the promise 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; and
4. When he/she extends the effect of a countervailing duty measure under [Article 84](#) (7).

(2) In the case 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 turned down 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 decision on whether to commence an investigation is suspended or an investigation is terminated after a request for imposing a countervailing duty is withdrawn under [Article 76](#);
7. Deleted; or <revisioninfo> <by Presidential Decree No. 17467, Dec. 31, 2001>

8. When the Minister of Strategy and Finance proposes the promise 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 imposition of retaliatory duties (hereinafter referred to as "retaliatory duties") under [Article 63 of the Act](#), furnish data concerning the matters falling under each of the following subparagraphs 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; and
3. The amount equivalent to the amount of injury, calculation particulars thereof and details of imposition of retaliatory duties.

(2) The Minister of Strategy and Finance may, when he/she deems it 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 (Imposition of Emergency Tariffs)**

A decision shall be made on whether to levy emergency tariffs 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 filed by the Trade Committee is received: *Provided*, That any period required to consult with any major trading country about the imposition of emergency tariffs shall not be included in the period of one month.

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

(1) A decision shall be made on whether to levy provisional emergency tariffs 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 filed by the Trade Committee is received: *Provided*, That in the event that 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) In the event that it is decided to levy emergency tariffs on the specific imported goods to which provisional emergency tariffs is 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) In the event that the Trade Committee judges that any domestic industry is not injured and then notifies the Minister of Strategy and Finance of it, 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)**

In the event that the Trade Committee proposes that emergency tariffs, the imposition 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 decide whether to take measures to relax, cancel or extend, etc. the emergency tariffs within one month from the day on which such proposal 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 (Imposition of Emergency Tariffs on Goods from Particular Country, etc.)**

(1) The term "country prescribed by Presidential Decree" in other portion than subparagraphs of [Article 67-2 \(1\) of the Act](#) means the People's Republic of China (excluding Hong Kong and Macao; hereinafter the same shall apply).

(2) The emergency tariffs to be imposed on goods whose origin of country is the People's Republic of China shall apply only to the goods on which an import declaration is filed by December 10, 2013.

(3) The provisions of [Articles 87 through 89](#) shall apply *mutatis mutandis* to the emergency tariffs on the goods of the particular country or the imposition of the provisional emergency tariffs on the goods of the particular country provided for in [Article 67-2 \(5\) of the Act](#).

*[This Article Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002]*

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

(1) In the case falling under each of the following subparagraphs, the special emergency tariffs as prescribed in [Article 68 \(1\) of the Act](#) (hereinafter referred to as "special emergency tariffs") may be imposed: *Provided*, That if any of the case falls under the both of the following subparagraphs, one of them selected as prescribed by Ordinance of the Ministry of Strategy and Finance may be applied: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Where the import quantity of the current year exceeds the base trigger volume referred to in paragraph (2); and

2. Where the import price of the relevant goods, including the freight and insurance premium, converted into the won currency (hereinafter referred to "import price"), has fallen in excess of 10/100 of the average import price (hereinafter referred to as "base price") from 1988 to 1990.

(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; and

4. If the market share is incalculable: 125/100.

(3) The special emergency tariffs referred to in paragraph (1) 1 may be levied 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 referred to in paragraph (1) 1 may be levied 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 levied as prescribed by Ordinance of the Ministry of Strategy and Finance: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. If the decline ratio 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 ratio 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 ratio 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); and

4. If the decline ratio 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 the application of 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 calculated, 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 imposition of the special emergency tariffs: *Provided*, That if the import quantity is calculated to levy 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 levied thereon shall be excluded from the subject of the imposition of such special emergency tariff under paragraph (1) 1: *Provided*, That the goods may be counted in the import quantity necessary for the imposition of a special emergency tariff next year under paragraph (1) 1.

(8) The minister of any ministry concerned or any interested person shall, when he/she intends to ask for the measures as prescribed in [Article 68 of the Act](#), furnish the data pertaining to the matters falling under each of the following subparagraphs, which are related to the relevant goods, to the Minister of Strategy and Finance: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

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 average import price from 1988 to 1990; and
3. Tariff rates to be raised, reasons therefor, application period and other reference matters.

(9) The Minister of Strategy and Finance may, when he/she deems it necessary to survey matters necessary for applying the special emergency tariff, ask 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>*

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

(1) The minister of any ministry concerned or any interested person shall, when he/she intends to request the measures as prescribed in [Article 69 of the Act](#), furnish the data pertaining to the matters falling under each of the following subparagraphs, which are related to the relevant goods, to the Minister of Strategy and Finance: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

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; and
6. Tariff rates to be raised, reasons therefor and the application period thereof.

(2) The Minister of Strategy and Finance may, when he/she deems it necessary to survey matters necessary for applying the adjusted duties under [Article 69 of the Act](#), ask 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>

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

(1) The minister of any ministry concerned and any interested person shall, when he/she intends to request the imposition of a quota tariff under [Article 71 \(1\) of the Act](#), furnish the data pertaining to the matters falling under each of the following subparagraphs, 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; and
3. If the quantity is required to be restricted under the later part of [Article 71 \(1\) of the Act](#), such quantity and the calculation basis thereof.

(2) The minister of any ministry concerned or any interested person shall, when he/she intends to request the imposition of a quota tariff in accordance with [Article 71 \(2\) of the Act](#), furnish the data pertaining to the matters falling under each of the following subparagraphs, 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 of [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; and
4. In case of agricultural, forest, livestock, and marine products as 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 as prescribed in [Article 71 of the Act](#) shall be allocated within the limit of the relevant quantity on the recommendation of the minister of the competent ministry or any person entrusted by him: *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) Any person who obtains a letter of recommendation from the minister of the competent ministry or a person who is entrusted by him/her under paragraph (3) shall submit such letter of recommendation to the head of the relevant customhouse 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) The Minister of Strategy and Finance may, when he/she deems it necessary to survey matters necessary for applying the quota tariff under paragraphs (1) and (2), ask 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>

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

(1) The head of any administrative agency or any interested person shall, when he/she intends to request the imposition of seasonal duties (hereinafter referred to as "seasonal duties") under [Article 72 of the Act](#), furnish the data pertaining to the matters falling under each of the following subparagraphs, 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; and
7. The tariff rate intended to be changed and particulars of calculation thereof.

(2) The Minister of Strategy and Finance may, when he/she deems it necessary to survey matters necessary for applying the seasonal duties, ask 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>

#### **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 administrative agency concerned within the limit of the market access volume shall submit a letter of such recommendation to the head of the relevant customhouse before the import declaration is accepted.

#### **Article 95 (Beneficial Duties)**

- (1) Countries that may be beneficiaries of customs duties under [Article 74 of the Act](#) are as

shown in the attached Table 1.

(2) Goods subject to the benefits of customs duties under [Article 74 of the Act](#) shall be the goods prescribed in (a) through (c) of the attached Table 1 (hereafter in this Article referred to as the "schedules of concessions") of the Rules on Concession Customs Duties under the World Trade Organization Agreement from among the goods produced by countries as shown in the attached Table 1. In this case, the relevant goods shall be subject to the same benefits of customs duties 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>

(3) The rates prescribed in the schedules of concessions shall apply to the goods prescribed in paragraph (2): *Provided*, That, in the case falling under each of the following subparagraphs, 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 case of agricultural, forest and livestock products as 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; and

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) The Minister of Strategy and Finance may, when the reason falling under each of the following subparagraphs arises, designate countries, goods and period, and suspend the application of beneficial duties under [Article 74 of the Act](#) (hereinafter referred to as "beneficial duties"): <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. When the application of beneficial duties causes or is feared to cause a serious impact on the national economy; and

2. When an emergency situation occurs that requires the suspension of beneficial duties.

(5) The Minister of Strategy and Finance may, when he/she deems it necessary to survey the matters necessary for applying the beneficial duties, ask administrative agencies concerned, exporters, importers and interested persons to furnish related data and provide necessary cooperation. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

### **SECTION 3 Application of Tariff Rates, etc.**

#### **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 the 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; and
  - (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 imposition; and
6. Goods whose owner asks not to apply the simplified tariff rates to the whole of such goods subject to the imposition 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 customhouse 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.

### **SECTION 4 Tariff Classification**

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

(1) For the purpose of speedy 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 in this Article referred to as the "Convention"), the Minister of Strategy and Finance may publish the harmonized tariff and statistical schedules (hereafter in this Article referred to as the "Harmonized Schedules") 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>*

(2) In the event that 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 Made pursuant to 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 in this paragraph referred to as the "regulations on tariff concessions, etc."), the Minister of Strategy and Finance may modify and publish the attached Schedules of Tariff Rates under the Act, the tariff classification and the Harmonized Schedules under the regulations on tariff concessions, etc. without the modification of 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) The Minister of Strategy and Finance shall, when he/she 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, reflect such modification in the tariff classification on the attached Schedules of Tariff Rates under the Act and the Harmonized Schedules within the time limit as prescribed in [Article 16](#) (4) of the Convention. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

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

(1) The Commissioner of the Korea Customs Service shall prescribe and publish the standards for applying the tariff classification under [Article 85 \(1\) of the Act](#) after obtaining approval therefor from the Minister of Strategy and Finance. The same shall apply to a case where the published standards are modified. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(2) The Minister of Strategy and Finance may, when he/she deems it necessary to improve the standards for applying the tariff classification in connection with the implementation of any treaty or the enforcement of the attached Schedules of Tariff Rates under the Act, have the Commissioner of the Korea Customs Service modify the published contents referred to in paragraph (1). <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **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 chairman and members of not less than twenty but not more than thirty persons. <Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 19993, Apr. 5, 2007>

(2) A public official of Grade III or public official in general service belonging to the Senior Civil Service of the Korea Customs Service shall be designated by the Commissioner of the Korea Customs Service as the chairman 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 Nonprofit and Non-Government Organizations Act](#); hereinafter the same shall apply); and

5. Other persons of profound learning in the study of merchandising.

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

(4) In the event that the chairman of the Tariff Classification Committee is unable to discharge his/her duties for unavoidable reasons, a member designated by the chairman shall act on behalf of the chairman in discharging his/her duties.

(5) In the event that 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 for unavoidable grounds, another public official working for an institution to which the member belongs may act on behalf of the member in attending the meeting.

(6) 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 chairman 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 chairman and fourteen persons designated by the chairman at every meeting but at least eight persons referred to in [Article 100](#) (2) 2, 4 or 5 shall be included therein. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

(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) The chairman and any member of the Tariff Classification Committee shall be prohibited from getting involved in any agenda in which they are interested.

#### **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 limits of budget. <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

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

The chairman 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 (Prior Examination of Tariff Classification Applied to Specific Goods)**

(1) Any person who intends to apply for a prior examination of the tariff classification to be applied to specific goods under [Article 86 \(1\) of the Act](#) shall furnish documents and goods falling under each of the following subparagraphs: *Provided*, That where it is deemed that it is difficult 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 customhouse confirms that fact at the time when the goods go through customs clearance, the Commissioner of the Korea Customs Service may get the presentation of the samples required by subparagraph 2 omitted:

1. An application stating the name of such goods, standard, manufacturing process, the country of origin, the purpose of use, previous customs clearance of goods and the relevant customhouse in which such goods are planned to go through customs clearance;

2. Samples of goods subject to the application; and

3. Other explanatory materials.

(2) The Commissioner of the Korea Customs Service may, when the application filed, the samples presented and the explanatory materials furnished under paragraph (1) are inadequate, making it difficult to examine the tariff classification for the relevant goods, ask for supplementing them for a fixed period and return them unless the requested supplementation is not made within the fixed period.

(3) The Commissioner of the Korea Customs Service shall, when he/she examines the tariff classification and serves a notice thereon to an applicant under [Article 86 \(2\) of the Act](#), also notify the head of the relevant customhouse in which the relevant goods are planned to go through customs clearance of the contents thereof. In this case, he/she shall also send the explanatory materials to the head of such customhouse.

(4) The valid period of the tariff classification for any goods on which the tariff classification is not published under the proviso to [Article 86 \(3\) of the Act](#) shall be one year.

#### **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 Acts and subordinate 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, 2010>

## **CHAPTER IV REDUCTION AND EXEMPTION, REFUND, AND INSTALLMENT PAYMENT**

### **SECTION 1 Reduction and Exemption**

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

The term "staff prescribed by Presidential Decree" in [Article 88 \(1\) 4 of the Act](#) means persons in positions, equal to or higher than them, who fall under each of the following subparagraphs:

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); and
3. Other foreign service officers, not falling under subparagraphs 1 and 2, 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 customshouse 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 a case where the provisions are applied *mutatis mutandis* in [Article 98 \(2\) of the Act](#)) or the proviso to [Article 102 of the Act](#) shall file an application stating the matters falling under each of the following subparagraphs with the head of the relevant customshouse (hereinafter referred to as the "head of the jurisdictional customshouse") who has jurisdiction over the location of the relevant goods: *Provided*, That in a case falling under the proviso to [Article 97 \(2\) of the Act](#) (including a case where the provisions are applied *mutatis mutandis* in [Article 98 \(2\) of the Act](#)), such application may be filed with the head of the relevant customshouse 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 customshouse in which the relevant goods go through customs clearance;
3. Reasons for applying for approval; and
4. The business type, domicile, firm name and name (the name of representative in case 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 a case where the provisions are applied *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 matters falling under each of the following subparagraphs, appended by a document attesting the fact, with the head of the relevant customshouse 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; and
3. The name of the relevant customshouse 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 customshouse in accordance with the proviso to [Article 83 \(3\) of the Act](#), the proviso to [Article 97 \(3\) of the Act](#) (including a case where the provisions are applied *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 matters falling under each of the following subparagraphs with the head of such customshouse:

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 customshouse in which the relevant goods go through customs clearance; and
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 the "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>

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; and
- (c) Goods whose useful life is not more than three years: within one year;

2. In the event that there is little chance of using the goods whose customs duties are reduced or exempted for other purpose, the post management period shall be not more than one year: *Provided*, That in case of goods which are used only by specific persons such as the handicapped and the metallic pattern which can not 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 case 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. In the event that goods whose customs duties are reduced or exempted are used as raw materials, components or samples, the post management period thereof shall be not more than one year: *Provided*, That in case 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. In the event that the goods are stored without being used for the purpose of reduction or exemption for not less than one year, the post management period thereof shall be up to the day on which such goods are first used; and

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 case of not more than three percent, not more than one year and in case of not less than three percent to not more than seven percent, not more than 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) In the event that 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 get his/her goods reduced or exempted from customs duties in accordance with this Act, other Acts related to customs duties or treaties shall file an application stating the matters falling under each of the following subparagraphs with the head of the relevant customhouse before an import declaration thereon is accepted (in case where customs duties are collected in accordance with [Article 39 \(2\) of the Act](#), within five days from the day on which a duty payment notice is received): *Provided*, That in a case as prescribed by the Commissioner of the Korea Customs Service, the application for the reduction or exemption of customs duties may be filed in a simplified manner:

1. The domicile, name and firm name of a person who intends to get his/her goods reduced or exempted from customs duties;
2. The kind of business (requested to specifically indicate the kind of business if it is intended to get goods reduced or exempted from customs duties by business type);
3. The name, standard, quantity, price, the purpose of use and the place where the relevant goods are installed and used;
4. The legal ground for the reduction or exemption of customs duties; and
5. Other reference matters.

(2) The documents to be appended to the application under paragraph (1) and matters to be entered in such documents shall be determined by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

#### **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 matters of the following subparagraphs, appended by a business plan and a drawing showing the relevant area and its nearby area, with the head of the relevant customshouse: <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; and
4. Period intended to be designated.

(2) The head of the relevant customshouse shall, when a designation is not deemed any impediment to the supervision and control, upon receiving the application referred to in paragraph (1), designate the manufacturing and repair factory for a period fixed within the limit of three years. In this case, the fixed period may be extended under the conditions as prescribed by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 17833, Dec. 30, 2002>

(3) In the event that nothing prevents the supervision and control of a specific area at any airport, in which the work of repairing any aircraft is temporarily performed under [Article 89 \(1\) of the Act](#) and it is deemed necessary to efficiently manage the reduction and exemption of customs duties on goods whose tariff rates 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) Any person falling under any of subparagraphs of [Article 175 of the Act](#) shall not be allowed to get his/her manufacturing and repair factory designated under paragraph (1).



#### **Article 114 (Application for Extending Reexport Period)**

Any person who intends to get his/her reexport 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 customhouse 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 customhouse other than the relevant customhouse where the relevant goods are imported for extending such reexport period. <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

#### **Article 115 (Duty Exemption Period for Reexport)**

(1) The head of the relevant customhouse shall, when he/she intends to fix a duty exemption period for goods to be reexported, make the period falling under each of the following subparagraphs such duty exemption period for such goods. In this case, if the goods subject to the duty exemption for their reexport 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 case 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 reexporting 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 case 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 reexporting such goods from the day on which such events come to the end;

3. In case of goods and materials for processing and repair, a period which is deemed necessary for such processing and repair; and

4. In case 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 customhouse 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 customhouse shall, when he/she intends to fix a reexport 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 in the event that 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 customhouse may fix a reexport 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 Reexport and Collection of Additional Duty)**

(1) Any person who intends to reexport 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) The head of the relevant customshouse shall, when the goods referred to in paragraph (1) are exported, 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 customshouse, and deliver it to a person who files an export declaration.

(3) The additional duty to be collected in accordance with [Article 97 \(4\) of the Act](#) (including a case where the provisions are applied *mutatis mutandis* in [Article 98 \(2\) of the Act](#)) shall be an amount equivalent to 20/ 100 of the amount of various customs duties to be levied on the relevant goods and such duty shall not exceed five million won.

**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; and

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 levied 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 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>

1. The goods provided for in [Article 101 \(1\) 1 of the Act](#): The amount obtained by multiplying the export declaration price on raw materials or components used to manufacture or process the export goods by the tariff rate applied to the relevant import goods; and

2. The goods provided for in [Article 101 \(1\) 2 of the Act](#): The amount obtained by multiplying the export declaration price 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 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 export declaration price, the freight and insurance premiums of export goods to the port of unloading and the freight and insurance premiums of them from the port of loading to the domestic port of unloading after they are processed or repaired by the tariff rate applied to imported goods.

### **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 matters falling under each of the following subparagraphs, 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 customshouse 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 customshouse 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; and
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) In the event that 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.

### **SECTION 2 Refund and Installment Payment, etc.**

#### **Article 121 (Refund of Customs Duties Due to Export, etc. of Goods Different from Contract Contents)**

(1) In the event that 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 make 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 customshouse in lieu of such certificate, with the head of the relevant customshouse. <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 customshouse in lieu of such certificate, with the head of the relevant customshouse. <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 in the event that 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 matters falling under each of the following subparagraphs, appended by the import declaration completion certificate of the relevant goods or any certificate issued by the relevant customshouse in lieu of such certificate and an evidential document explaining the inevitability of disposing of the relevant goods, with the head of the relevant customshouse:

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; and
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 customshouse:

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; and
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 levied according to the nature, quantity and price of such remainders at the time that 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 matters falling under each of the following subparagraphs, appended by the import declaration completion certificate or other certificate issued by the relevant customshouse in lieu of such certificate, with the head of the relevant customshouse:

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; and

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; and

2. Qualitatively changed or damaged goods: The amount calculated applying mutatis mtuandis the provisions of [Article 118 of the Act](#).

#### **Article 124 (Application for Canceling Imposition of Customs Duties on Goods Different from Contract Contents)**

Any person who intends to get the imposition of customs duties cancelled in accordance with [Article 106 \(5\) of the Act](#) shall file an application therefor with the head of the relevant customshouse before the collection deferment period or the installment payment period expires.

#### **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 matters falling under each of the following subparagraphs with the head of the relevant customshouse 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; and

4. The amount of customs duties to be paid in installments and frequency.

(2) In the event that the head of the relevant customshouse allows the payment of customs duties in installments under paragraph (1), the provisions of [Article 2](#) shall apply mutatis mtuandis 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 customshouse 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) The head of the relevant customshouse shall, when he/she grants approval for paying customs duties in installments under [Article 126](#), issue the duty payment notice by payment time limit in accordance with [Article 39 of the Act](#).

(2) The head of the relevant customshouse shall, when he/she collects customs duties in accordance with [Article 107 \(9\) of the Act](#), issue the duty payment notice after fixing a payment time limit of not more than ten days under [Article 39 of the Act](#).

(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 customshouse under [Article 107 \(3\) of the Act](#) shall file an application stating the matters falling under each of the following subparagraphs, appended by a copy of the contract on transfer and acquisition by transfer of the relevant goods, with the head of a customshouse 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 customshouse 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; and

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.

(2) 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 the matters falling under each of the following subparagraphs are entered:

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 customshouse 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; and

5. The place where such goods are installed or used and details of their use.

(3) In the event that 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 matters falling under each of the following subparagraphs shall be made to the head of the relevant customshouse 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 made: *Provided*, That in the event that 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 make a report thereon to the head of the relevant customshouse having jurisdiction over the place and make a report on the change of the place to the head of the relevant customshouse 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 customshouse 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; and

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 Post 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 4, 98](#) and [107 of the Act](#), if the relevant customshouse in which such goods go through customs clearance and the jurisdictional customshouse are different to each other, the head of the relevant customshouse in which the goods go through customs clearance shall turn over related documents concerning the relevant goods to the head of the jurisdictional customshouse under the conditions as prescribed by the Commissioner of the Korea Customs Service.

(2) With respect to goods, the related documents of which the head of the relevant customshouse in which such goods go through customs clearance turns over to the head of the

jurisdictional customshouse under paragraph (1), the customs duties to be imposed on such goods in accordance with [Article 97 \(3\) of the Act](#) (including a case where the provisions are applied *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 customshouse.

#### **Article 131 (Report on Offering Securities, etc.)**

(1) Whether or not to offer security under the provisions of [Article 108 \(1\) of the Act](#) shall be determined 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](#); and
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 customshouse 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 customshouse 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 in [Article 108 \(2\) of the Act](#) shall be submitted to the head of the relevant customshouse in which goods go through customs clearance or the head of the jurisdictional customshouse as prescribed by the Commissioner of the Korea Customs Service.

#### **Article 133 (Entrustment of Post Management)**

(1) The Commissioner of the Korea Customs Service shall, 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, entrust the matters concerning the post management according to the classification falling under each of the following subparagraphs: <Amended by Presidential Decree No. 17467, Dec. 31, 2001>

1. In case of [Article 109 \(1\) of the Act](#): The minister of the ministry in charge of the enforcement of the relevant Act and treaty, etc; and
2. In case of [Article 83 \(1\)](#), [90](#), [91](#), [93](#), [95 \(1\)](#) 1 through 4 or [107 of the Act](#): The minister of the ministry in charge of the relevant affairs.



(2) The minister of the ministry entrusted with the post management under paragraph (1) shall, when he/she confirms an occurrence of the cause for collecting customs duties on the goods which are granted approval for imposing 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, promptly serve a written notice stating the matters of the following subparagraphs on the head of the relevant customshouse 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 imposing 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; and
4. The domicile and name of the owner of the relevant goods.

(3) The 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)**

Any person who intends to obtain a confirmation under [Article 109 \(1\) of the Act](#) shall file with the head of the relevant customshouse 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 Acts and subordinate 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 the Acts and subordinate statutes, a treaty or a convention and the provisions.

## **CHAPTER V RIGHTS OF DUTY PAYERS AND PROCEDURES FOR RAISING OBJECTION**

### **SECTION 1 Rights of Duty Payers**

#### **Article 135 (Time for Delivering Duty Payer Right Charter)**

The term "where Presidential Decree prescribes" in [Article 110 \(2\) 3 of the Act](#) means the case falling under each of the following subparagraphs:

1. Where the seizure is made to secure the collection right;
2. Where a bonded store is investigated.

#### **Article 136 (Prohibition on Repetitious Investigation)**

The term "where Presidential Decree prescribes" in subparagraph 3 of [Article 111 of the Act](#) means the case where the full investigation is conducted on persons suspected of evading customs duties through smuggling, illegal or unfair trade or other acts which disrupt the economic order.

#### **Article 137 (Right to Seek Assistance in Customs Investigation)**

The term "person prescribed by Presidential Decree" in [Article 112 of the Act](#) means the person falling under each of the following subparagraphs:

1. A public official in general service who has 20 or more years of work experience in a customs administration;
2. Other person of profound learning and experience in customs duties, whose qualification is recognized by the head of the relevant customhouse.

*[This Article Wholly Amended by Presidential Decree No. 17467, Dec. 31, 2001]*

#### **Article 138 (Cause for Excluding Assumption of Duty Payer's Compliance, etc.)**

(1) "Cases prescribed by Presidential Decree" in [Article 113 \(1\) of the Act](#) means the case falling under each of the following subparagraphs:

1. Where any duty payer fails to meet his/her duty payment obligation such as a duty return, an application and the submission of duty materials;
2. Where there is specific information about the duty evasion by a duty payer;
3. Where there are indisputable materials corroborating an omission or an error in the contents of a duty return;
4. Where the contents of a duty return filed by a duty payer are deemed non-compliant in comparison with the standards prescribed by the Commissioner of the Korea Customs Service.

(2) "Act prescribed by Presidential Decree" in [Article 113 \(2\) of the Act](#) means what falls under each of the following subparagraphs: <Amended by Presidential Decree No. 19478, May 22, 2006>

1. The question or request for submitting materials necessary for examining the amount of customs duties under [Article 38 \(2\) of the Act](#);
2. The inspection of goods under [Article 246 of the Act](#);
3. The submission of books or materials under [Article 266 \(1\) of the Act](#);
4. The check of materials or the request for submission of materials 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)**

In the event that a prior notice is served on any duty payer or any authorized person with respect to customs investigation under [Article 114 \(1\) of the Act](#), such prior notice shall be made in a document stating the matters falling under each of the following subparagraphs:

1. The name, domicile or residence of the duty payer or the authorized person;
2. The investigation period;
3. The subject of the investigation and reasons for the investigation;
4. Personnel information concerning public officials in charge of the investigation;
5. Other necessary matters.

### **Article 139-2 (Customs Investigation Period)**

(1) The investigation period under subparagraph 2 of [Article 139](#) shall be decided in 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 the investigation period shall not be more than 20 days.

(2) Notwithstanding paragraph (1), in any of the following cases, the investigation period may be extended within 20 days. In such cases, if the period is extended on more than two occasions, the approval from the Commissioner of the Korea Customs Service shall be required:

1. Where it is apparent that the target of the investigation 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 counterparty;
3. Where the investigation is suspended due to natural disasters or labor disputes;
4. Where it is necessary to extend the investigation period in order to verify the actual relation or secure evidence due to the reasons corresponding to those under subparagraphs 1 through 3.

(3) A customs officer shall, when the investigation period is extended pursuant to paragraph (2), notify the reasons for and period of extension, in writing, to the subject of the investigation.

*[This Article Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010]*

### **Article 140 (Application for Postponing Customs Investigation)**

(1) The term "grounds prescribed by Presidential Decree" in [Article 114 \(2\) of the Act](#) means the case falling under each of the following subparagraphs:

1. Where a fire or a disaster causes serious business difficulties;
2. Where a customs investigation is deemed difficult to be conducted due to the illness,

long-term official trip, etc. of a duty payer or an authorized person;

3. Where books and evidential documents are seized or provisionally held by an authoritative institution;

4. Where there is a ground corresponding to the grounds of 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 matters falling under each of the following subparagraphs to the head of the relevant customhouse:

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.

#### **Article 141 (Notice of Results of Customs Investigation)**

"Case prescribed by Presidential Decree" in the proviso to [Article 115 of the Act](#) means the case falling under each of the following subparagraphs:

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 difficult 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) The term "grounds that are prescribed by Presidential Decree" in the proviso to [Article 116-2 \(1\) of the Act](#) means the case falling under each of the following subparagraphs:

1. Where not less than 30/100 of the amount in arrears is paid;

2. Where anyone is in the grace period after the collection of his/her duty in arrears is deferred according to a decision to authorize the rehabilitation program provided for in [Article 243 of the Debtor Rehabilitation and Bankruptcy Act](#) or he/she is paying the duty in arrears according to the duty payment schedule that is 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 unuseful and inappropriate to publish the list of names of delinquent duty payers taking into account their properties, whether they are minors or not, or other circumstances, etc.

(2) The Commissioner of the Korea Customs Service shall, when he/she puts persons subject to the publication of the list of names of delinquent duty payers on notice that he/she plans to publish the list of their names pursuant to [Article 116-2 \(3\) of the Act](#), urge 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 ask him/her to furnish materials vindicating himself/herself.

(3) Matters to be published when the list of names of delinquent duty payers is published shall be 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 time 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.

*[This Article Newly Inserted by Presidential Decree No. 19478, May 22, 2006]*

#### **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 chairman of the Duty Freedom of Information Deliberative Committee provided for in the provisions of [Article 116-2 \(2\) of the Act](#) (hereafter in this Article referred to as the "Committee") 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 Civil 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 terms of office for the members who are commissioned pursuant to the provisions of paragraph (1) 2 shall be 2 years and they may be recommissioned.

(3) The Committee's meetings shall open with the attendance of a majority of the total members including the chairman and resolve with the concurrent vote of a majority of those present.

(4) Necessary matters concerning the composition and the operation of the Committee other than the matters referred to in the provisions of paragraphs (1) through (3) shall be prescribed by the Commissioner of the Korea Customs Service.

*[This Article Newly Inserted by Presidential Decree No. 19478, May 22, 2006]*

#### **Article 142 (Omission of Notice Prior to Imposition of Customs Duties)**

The term "case prescribed by Presidential Decree" in [Article 118 \(1\) 6 of the Act](#) means the case falling under each of the following subparagraphs: <Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 19478, May 22, 2006>

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 discontinues 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 that is determined by a resolution of the Tariff Classification Committee provided for in [Article 85 of the Act](#).

#### **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 Acts and subordinate 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>

1. Where a new interpretation is required in connection with the directives, rules and publication, etc. of the Commissioner of the Korea Customs Service;

2. Where the amount of customs duties is corrected 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 corrected or a deficiency in the amount of customs duties 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 there are not less than two heads of the relevant customhouse with whom the same person liable to pay customs duties intends to file a request for the examination of legality prior to the imposition of customs duties in connection to the same matter.

#### **Article 144 (Composition of Examination of Legality Prior to Duty Imposition Committee)**

(1) The Examination of Legality Prior to Duty Imposition Committee as prescribed in [Article 118 \(3\) of the Act](#) (hereinafter referred to as the "Examination of Legality Prior to Duty Imposition Committee") shall be established in the Seoul Main Customs, the *Incheon* Airport Customs, the *Busan* Main Customs, the *Incheon* Main Customs, the *Daegu* Main Customs and the *Gwangju* Main Customs, respectively. <Amended by Presidential Decree No. 17166, Mar. 27, 2001; Presidential Decree No. 21305, Feb. 4, 2009>

(2) Deleted. <by Presidential Decree No. 21305, Feb. 4, 2009>

(3) The head of the relevant customhouse shall concurrently serve as the chairman of the Examination of Legality Prior to Duty Imposition Committee and persons falling under each of the following subparagraphs shall be its members: <Amended by Presidential Decree No. 17467,

Dec. 31, 2001; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 21305, Feb. 4, 2009>

1. Not more than six persons appointed by the head of the relevant customshouse from among the public officials of Grade III, IV or V of the relevant customshouse;

2. Not more than eight persons commissioned by the head of the relevant customshouse from among the persons of profound learning and experience with regard to finance and economy.

(4) The terms of office for members falling under paragraph (3) 2 shall be two years and they may be recommissioned. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

(5) Deleted. <by Presidential Decree No. 21305, Feb. 4, 2009>

(6) A meeting of the Examination of Legality Prior to Duty Imposition Committee shall consist of the chairman and six persons designated by the chairman at every meeting, at least four persons referred to in paragraph (3) 2 shall be included therein. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 21305, Feb. 4, 2009>

(7) [Articles 145](#) (1), (2), (5) and (6), [147](#) (3) and (4), [148](#) (1), (3) through (5), [149](#) and [151](#) shall apply *mutatis mutandis* to any request for an examination of legality prior to the imposition of customs duties, notice on the decision, etc. and the operation of the Examination of Legality Prior to Duty Imposition Committee, etc. <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19993, Apr. 5, 2007>

## **SECTION 2 Examination and Abjudication**

### **Article 145 (Request for Examination)**

(1) When a request for examination is filed under [Article 119 of the Act](#), the matters falling under each of the following subparagraphs shall be entered in a written examination request prescribed by the Commissioner of the Korea Customs Service. In this case, if there is any evidential document or evidence, it may be appended thereto:

1. The domicile or residence and name of a person who files the examination request;
2. The date on which a disposition is learned (where a notice is received, the date on which such notice is received);
3. The contents of the disposition;
4. A summary of the examination request and reasons for dissatisfaction.

(2) If deemed necessary for preparation of a written opinion pursuant to [Article 122 \(3\) of the Act](#) on the examination request under paragraph (1) or for the examination and decision under [Article 127 of the Act](#), the head of a customshouse or the Commissioner of the Korea Customs Service may, *ex officio* or upon the application by a person who has applied for examination, ask how to carry out the customs clearance 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

examination request, and may request the licensed customs broker to submit relevant data.  
<Amended by Presidential Decree No. 22086, Mar. 26, 2010>

(3) "Interested person prescribed by Presidential Decree" in the former part of [Article 119 \(7\) of the Act](#) means the person falling under each of the following subparagraphs: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

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 \(6\) 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) In the event that a written examination request is filed with the head of the relevant customhouse other than the head of the relevant customhouse described in [Article 122 \(1\) of the Act](#) or the Commissioner of the Korea Customs Service, such written examination request shall be promptly sent to the head of the relevant customhouse and a notice thereon shall be served on a requester.

(5) The Commissioner of the Korea Customs Service shall, upon receiving the written opinion provided for in [Article 122 \(3\) of the Act](#), deliver without any delay a copy thereof to the requester. <Newly Inserted by Presidential Decree No. 17467, Dec. 31, 2001>

(6) Any examination requester may furnish evidential documents or evidential materials refuting the written opinion he/she is delivered under paragraph (5) to the Commissioner of the Korea Customs Service. <Newly Inserted by Presidential Decree No. 17467, Dec. 31, 2001>

#### **Article 146 (Request for Supplement and Correction)**

In the event that a request is made for supplementing or correcting contents of or procedures for an examination request under [Article 123 of the Act](#), such request shall be made in a document stating the matters falling under each of the following subparagraphs:

1. Matters to be supplemented or corrected;
2. Reasons for requesting the supplement and correction;
3. Period during which the supplement and correction are made; and
4. Other necessary matters.

#### **Article 147 (Composition of Tariff Examination Committee)**

(1) The Deputy Commissioner of the Korea Customs Service shall concurrently serve as the chairman of the Tariff Examination Committee established pursuant to [Article 124 of the Act](#) (hereinafter referred to as the "Tariff Examination Committee") and persons falling under each of the following subparagraphs shall be its members: <Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19513, Jun. 12, 2006; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 20624, Feb. 22, 2008>



1. Not more than eight persons designated by the Commissioner of the Korea Customs Service from among the public officials of Grade III or public officials belonging to the Senior Civil Service of the Korea Customs Service; and

2. Not more than fourteen persons commissioned by the Commissioner of the Korea Customs Service from among the persons of profound learning and experience with regard to finance and economy and persons recommended by civic groups.

(2) The terms of office for the members falling under paragraph (1) 2 shall be two years and they may be recommissioned.

(3) The chairman of the Tariff Examination Committee shall exercise overall control of the Committee's affairs and represent the Committee.

(4) In the event that the chairman of the Tariff Examination Committee is unable to discharge his/her duties for unavoidable grounds, a member designated by the chairman shall act on behalf of the chairman in discharging his/her duties.

#### **Article 148 (Meetings of Tariff Examination Committee)**

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

(2) A meeting of the Tariff Examination Committee shall consist of the chairman and ten persons designated by the chairman at every meeting, but at least six persons referred to in [Article 147](#) (1) 2 shall be included therein. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

(3) A meeting of the Tariff Examination Committee shall open with the attendance of a majority of the constituent members referred to in paragraph (2) and pass a resolution with the concurrent vote of a majority of the members present. <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

(4) In the event that any member who is a public official from among the members of the Tariff Examination Committee is unable to attend any meeting of the Tariff Examination Committee for unavoidable grounds, he/she may let other public official under the same jurisdiction attend such meeting and exercise his/her authority.

(5) The chairman and members of the Tariff Examination Committee shall be prohibited from getting involved in any agenda in which they are interested.

#### **Article 149 (Allowances)**

Members other than public officials who attend meetings of the Tariff Examination Committee, may be paid allowances within the limit of budget.

#### **Article 150 (Insignificant Matters)**

The term "case falling under the cause prescribed by Presidential Decree" in the proviso to [Article 127 \(1\) of the Act](#) means the case falling under each of the following subparagraphs:

1. Where the examination request period expires;
2. Where the disposition subject to an examination request is nonexistent;
3. Where a person, whose right or interest is not infringed on by the relevant disposition, files an examination request;
4. Where an examination request is filed on a disposition which is not deemed subject to such examination request;
5. Where necessary supplement and correction are not made within the supplement and correction period under [Article 123 \(1\) of the Act](#);
6. Where the contents and dispute of a disposition subject to an examination request and applicable Acts and subordinate statutes, etc., are identical to the matters determined after going through a deliberation of the Tariff Examination Committee; and
7. Where a quick decision on getting a disposition in question deliberated in the higher court is judged helpful to the relief of right.

#### **Article 151 (Notice of Decision, etc.)**

- (1) In the event that a decision is made or a notice on the method of appealing a dissatisfaction is served under [Article 128](#) or [129 of the Act](#), such notice shall be made by a person or a registered mail and in case that such notice is made by a person, a receipt shall be collected.
- (2) In the event that it is unable 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 an examination request or other reasons, a summary thereof shall be published in the bulletin board of the relevant ruling agency and other appropriate place.
- (3) In the event that 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 152 (Redemption in Case of Wrong Notice of Method of Appealing Dissatisfaction)**

- (1) In the event that a notice on the method of appealing a 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 a notice stating the day and time of his/her attendance, the place and the time for stating his/her opinion on a requester three days prior to a scheduled meeting of the Tariff Examination Committee, save the case falling under each of the following subparagraphs and the case where the statement of opinion by the examination applicant is deemed unnecessary:

1. Where the matters subject to the examination request are insignificant; and
2. Where the matters subject to the examination request are concerned only with the interpretation of Acts and subordinate statutes.

(3) The ruling agency shall, upon receiving the application referred to in paragraph (1), if it deems it unnecessary for the applicant to state his/her opinion, serve a notice thereon, citing reasons therefor in a document, on the relevant examination applicant.

(4) The submission of a document stating the contents of the opinion intended to be stated may be substituted for the statement of opinion under [Article 130 of the Act](#).

#### **Article 153-2 (Committee on Deliberation of Objection)**

(1) The head of the relevant customshouse shall be the chairman of the committee on the deliberation of objection (hereinafter referred to as the "committee on the deliberation of objection") provided for in [Article 132 \(2\) of the Act](#) and persons falling under any of the following subparagraphs shall be its members: <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

1. A person falling under the division of any of the following items:
  - (a) Seoul customshouse, *Incheon* International Airport customshouse, *Busan* customshouse, *Incheon* customshouse, *Daegu* customshouse and *Gwangju* customshouse: Not more than six persons appointed by the head of the relevant customshouse from among the public officials of Grades III through V of the said customshouse; and
  - (b) Customshouses other than those of item (a): Not more than six persons appointed by the head of the relevant customshouse from among the public officials of Grade V or VI of the said customshouse (including persons commissioned from among the public officials belonging to other customshouses, in cases where it is impossible to appoint from among public officials belonging to the relevant customshouse); and

2. Not more than eight persons commissioned by the head of the relevant customshouse from among the persons of profound learning and experience with regard to tariffs and trade.

(2) A meeting of the committee on the deliberation of objection shall consist of the chairman and six persons who are designated by the chairman at every meeting, but at least four persons referred to in paragraph (1) 2 shall be included therein. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

(3) The terms of office for the members referred to in paragraph (1) 2 shall be 2 years and they may be recommissioned.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **Article 154 (Applicable Provisions)**

The provisions of [Articles 145, 146, 148](#) (1) and (3) through (5), [149](#) and [150](#) through [153](#) shall apply *mutatis mutandis* to any objection raising.

*[This Article Wholly Amended by Presidential Decree No. 19993, Apr. 5, 2007]*

## **CHAPTER VI TRANSPORTATION MEANS**

### **SECTION 1 Open Ports**

#### **Article 155 (Designation of Open Ports)**

(1) The open ports (hereinafter referred to as "open ports") under [Article 133 of the Act](#) are as shown in the attached Table 3.

(2) The boundary of open ports shall be the scope under the [Public Order in Open Ports Act](#) and the [Aviation Act](#). *<Amended by Presidential Decree No. 19478, May 22, 2006>*

#### **Article 155-2 (Requirements for Designating Open Ports)**

The requirements for designating 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>*

1. The open port is required to be made always accessible to foreign trade vessels (airliners) under the [Public Order in Open Ports Act](#) or the [Aviation Act](#);
2. 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; and
3. In the case of airport, medium-sized airliners are expected to land at such airport not less than 6 times a week and in the case of port, vessels of not less than 5,000 tons are expected to sail into such port not less than 50 times a year and the frequency of sailing and flight, the quantity of cargoes and the number of passengers of foreign trade vessels (airliners) are required to conform to the standards set by the Commissioner of the Korea Customs Service.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **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 matters falling under each of the following subparagraphs with the head of the relevant customhouse having jurisdiction over the area: *Provided*, That such application may be filed with the head of the relevant customhouse 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; and
  5. The reasons for entering into and departing from the area.
- (2) The head of the relevant customhouse, 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 customhouse having jurisdiction over the area.

## **SECTION 2 Vessel and Aircraft**

### **Article 157 (Matters Entered in Port Entry Report)**

(1) The matters of the following subparagraphs 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; and
3. The number and tonnage of laden goods, and the number of passengers, crews and transit passengers.

(2) The matters of the following subparagraphs 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; and
2. The names, quantity and prices of vessel supplies.

(3) The matters of the following subparagraphs 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; and
2. The nationalities, names, dates of birth, passport numbers, port of embarkation, and port of disembarkation of passengers.

(4) The matters of the following subparagraphs shall be entered in the list of crews 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; and
2. The nationalities, names, crew's book numbers or passport numbers, port of embarkation, and port of disembarkation of crews.

(5) The matters of the following subparagraphs shall be entered in the list of personal effects of crews 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 crews; and
3. The names, quantity and prices of personal effects.

(6) The matters of the following subparagraphs 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; and
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 matters of the following subparagraphs 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; and
3. The number of passengers, crews 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 crews, the list of personal effects of the crews and the cargo manifest provided for in [Article 135 of the Act](#). <Amended by Presidential Decree No. 17833, Dec. 30, 2002>

#### **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 matters of the following subparagraphs with the head of the relevant customshouse:

1. The type, registration mark, name, nationality, gross tonnage and net tonnage of the vessel;
2. The number of passengers, crews and transit passengers;

3. The number and tonnage of laden goods; and
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 matters of the following subparagraphs with the head of the relevant customshouse:

1. The type, registration mark, name and nationality;
2. The number of passengers, crews and transit passengers;
3. The number and tonnage of laden goods; and
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 customshouse shall grant the inherent individual identification numbers to his/her customs officers (referring to the persons who are designated pursuant to the provisions of [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 in this Article referred to as the "passenger reservation data") that are furnished pursuant to the provisions of [Article 137-2 \(1\) of the Act](#) under the conditions as prescribed by the Commissioner of the Korea Customs Service in order to prevent anyone who is not authorized to peruse the data from perusing the passenger reservation data.

(2) The head of the relevant customshouse shall, when one month lapses from the date on which passengers embark or disembark their airliners or ships (hereafter in this Article referred to as the "embarkation and disembarkation date"), 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 customshouse may keep the passenger reservation data that are separately managed pursuant to the provisions of paragraph (2) (hereafter in this Article referred to as the "preservative passenger reservation data") for 3 years from the date on which the passengers embark or disembark their airliners or ships: *Provided*, That the head of the relevant customshouse may keep the preservative passenger reservation date for 5 years with respect to anyone who falls under any of the following subparagraphs:

1. One who is subject to the disposition of notification taken by the Commissioner of the Korea Customs Service or the head of the relevant customshouse 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 the provisions of [Article 234 of the Act](#), or has tried to import or export such goods;

2. One who is subject to the disposition of notification taken by the Commissioner of the Korea Customs Service or the head of the relevant customshouse or who is sentenced to a fine

or a heavier punishment since he/she has violated the provisions of [Article 241 \(1\) and \(2\) of the Act](#), or has tried to export, import or return the goods falling under any of the following items in violation of the provisions of [Article 241 \(1\) and \(2\) of the Act](#):

- (a) Narcotics provided for in the [Act on the Control of Narcotics, etc.](#); and
- (b) Firearms, swords, explosives, electronic entoleters and crossbows provided for in the [Control of Firearms, Swords, Explosives, etc. Act](#); and

3. One who is deemed to be feared to perform the act falling under each of the following items and falls under the standards that are set by the Commissioner of the Korea Customs Service based on information, etc. that are furnished by any investigation agency, etc. or on information, etc. that are obtained by the head of the relevant customshouse:

(a) The act of exporting and importing goods on which an embargo is imposed in violation of the provisions of [Article 234 of the Act](#); or

(b) The act of exporting, importing or returning the goods falling under any of the following subitems in violation of the provisions of [Article 241 \(1\) or \(2\) of the Act](#):

- ( i ) Narcotics provided for in the [Act on the Control of Narcotics, etc.](#); and
- ( ii ) Firearms, swords, explosives, electronic entoleters and crossbows provided for in the [Control of Firearms, Swords, Explosives, etc. Act](#).

(4) Any customs officer shall, when he/she intends to peruse the preservative passenger reservation data, obtain a prior approval therefor from the head of the relevant customshouse under the conditions as prescribed by the Commissioner of the Korea Customs Service.

*[This Article Newly Inserted by Presidential Decree No. 19478, May 22, 2006]*

#### **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 matters falling under each of the following subparagraphs:

- 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.; and
- 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 matters falling under each of the following subparagraphs:

- 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; and
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 matters falling under each of the following subparagraphs with the head of the relevant customshouse:

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; and
4. The reason for the application.

(2) Any person who intends to load, unload or transship goods under [Article 140 \(2\) of the Act](#) shall file a declaration stating the matters of the following subparagraphs with the head of the relevant customshouse and produce a declaration completion certificate to customs officers on the spot: *Provided*, That in case of export goods, the submission of a list of such goods may be substituted for such declaration under the conditions as prescribed by the Commissioner of the Korea Customs Service, and in case 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>

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; and
5. The work classification and the scheduled work period.

(3) The loading and unloading passage under [Article 140 \(3\) of the Act](#) shall be designated and published by the head of the relevant customshouse.

(4) Any person who intends to obtain permission under the proviso to [Article 140 \(4\) of the Act](#) shall file an application stating the matters of the following subparagraphs with the head of the relevant customshouse:

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; and
5. The reason for the application.

(5) The head of the relevant customshouse may, when permission is granted or an application is filed in connection with the case falling under any of the following subparagraphs, allow to load domestic goods into any foreign trade vessel or any foreign trade aircraft or to load foreign goods to 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](#); and
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 matters falling under each of the following subparagraphs with the head of the relevant customshouse 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; and
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 (Report 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 matters falling under each of the following subparagraphs with the head of the relevant customhouse 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; and
3. Reasons for boarding vessel or aircraft and the period therefor.

#### **Article 164 (Report 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 matters falling under each of the following subparagraphs with the head of the relevant customhouse 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; and
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 customhouse:

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; and
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 matters falling under each of the following subparagraphs with the head of the relevant customshouse:

1. The type, registration mark, name, nationality and the number of passengers and crews 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; and
4. The scheduled place, date and time and method involving the loading, unloading and transshipping of the relevant goods.

(2) In case 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 matters falling under each of the following subparagraphs 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 dutiable value thereon:

1. The number of the bill of lading or airway bill of the relevant goods; and
2. The place (in case 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) The head of the relevant customshouse may, when he/she deems it necessary to grant the permission referred to in paragraph (1), have his/her customs officers check the relevant goods.

(4) Any person who has obtained permission under [Article 143 \(1\) of the Act](#) intends to modify permitted matters, shall file an application stating the matters he/she wants to modify and reasons for such modification with the head of the relevant customshouse.

(5) Any person who has obtained permission in accordance with paragraph (1) shall, when he/she completes the loading, unloading or transshipping goods according to contents of the permission, enter such fact and the date of loading and unloading or transshipping of the relevant goods in a written permission and keep such written permission after getting the captain of the relevant vessel or aircraft to sign the written permission. In this case, the head of the relevant customshouse may, when it is deemed necessary, get the relevant goods confirmed by his/her customs officers and get the person to submit the written permission signed by the captain of vessel or aircraft.

(6) Any person who has obtained permission in accordance with paragraph (1) shall, if he/she fails to load the permitted goods within the period described in [Article 143 \(4\) 1 of the Act](#) and ships such goods back into the bonded area, promptly enter the fact and the date of shipment in the written permission and file such written permission signed by any customs officer who confirms the shipment of the relevant goods back into the bonded area with the head of the relevant customshouse, who has granted such permission.

(7) Any person who has obtained permission in accordance with paragraph (1) shall, when the relevant goods are destroyed or lost by a calamity or *force majeure* as prescribed in [Article 143 \(4\) 2 of the Act](#), promptly file 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 customhouse, who has granted such permission.

(8) Any person who intends to obtain approval under [Article 143 \(4\) 3 of the Act](#) shall file an application stating the matters falling under each of the following subparagraphs with respect to the goods he/she wants to dispose of with the head of the relevant customhouse, who has granted such permission:

1. The matters of paragraph (1) 2;
2. The place where the relevant goods are located; and
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 matters falling under each of the following subparagraphs with the head of the relevant customhouse:

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; and
4. Contents of the intended conversion and reasons for conversion.

(2) The head of the relevant customhouse may, upon receiving an application filed under paragraph (1), inspect the goods loaded in the relevant vessel or aircraft.

#### **Article 168 (Special Vessel)**

The term "vessel and aircraft prescribed in Presidential Decree" in the proviso to [Article 146 of the Act](#) means what falls under each of the following subparagraphs:

1. Warship and military aircraft; and
2. A vessel or an aircraft used exclusively by the head of state or any diplomatic mission representing the Government.

### **SECTION 3 Vehicle**

#### **Article 169 (Report on Arrival of Vehicle Running across National Border)**

(1) An arrival report under [Article 149 \(1\) of the Act](#) shall state the matters falling under each of the following subparagraphs:

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 laden goods; and
4. The number of passengers and crews 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 crews and the list of crews' personal effects under [Article 149 \(1\) of the Act](#).

(3) The term "goods prescribed by Presidential Decree" in [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>

1. Aggregates such as sand and gravel; and
2. Minerals such as coal and graphite.

#### **Article 170 (Report on Departure of Vehicle Running across National Border)**

(1) A departure report under [Article 150 \(1\) of the Act](#) shall state the matters falling under each of the following subparagraphs:

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; and
4. The number of passengers and crews 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 customhouse as prescribed by the Commissioner of the Korea Customs Service.

(3) The term "goods prescribed by Presidential Decree" in [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>

1. Aggregates such as sand and gravel; and
2. Minerals such as coal and graphite.

#### **Article 171 (Report 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 matters falling under each of the following subparagraphs with the head of the relevant customshouse 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; and
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 matters falling under each of the following subparagraphs with the head of the relevant customshouse:

1. Type of vehicle and vehicle registration number;
2. Loadage or the number of passengers aboard; and
3. Purposes, periods and routes of operation.

*[This Article Wholly Amended by Presidential Decree No. 19993, Apr. 5, 2007]*

## **CHAPTER VII BONDED AREA**

### **SECTION 1 Common Provisions**

#### **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 Storing Goods in Bonded Area)**

Any person who intends to obtain permission under [Article 156 \(1\) of the Act](#) shall file an application stating the matters falling under each of the following subparagraphs with respect to the relevant goods, appended by the invoice, the bill of lading and the airway bill or other documents substituted for such documents, with the head of the relevant customhouse:

1. The place where the relevant goods are stored and reasons for storing such goods;
2. In case of imported goods, the name, registration mark, the scheduled date of port entry, the number of bill of lading and the number of airway bill of vessel or aircraft which transports the relevant goods into Korea from a foreign nation;
3. The classification of the relevant goods by domestic and foreign goods, name, quantity and price of such goods; and
4. The kind, identification number and number of packages of the relevant goods.

#### **Article 176 (Report 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 made in an application stating the matters falling under each of the following subparagraphs:

1. In case of imported goods:
  - (a) The name, the date of port entry, the port customhouse 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; and
  - (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; and
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; and
  - (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; and
2. Freight serial number; and
3. The quantities and weight of outbound shipment.



(3) In the case falling under each of the following subparagraphs, the head of the relevant customshouse may allow to exempt the submission of the report required by paragraphs (1) and (2) or omit part of the matters to be entered:

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; and
- (c) The report on the storage of domestic goods under [Article 197](#) (1); and

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 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 customshouse may require the submission of documents, including the report on the shipment of goods into a bonded area and the invoice, necessary to monitor them.

#### **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 customshouse:

1. Matters provided for in subparagraph 2 of [Article 175](#);
2. The place of storage; and
3. The grounds of filing such application.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **Article 177 (Application for Approving Maintenance or Supplementary Work)**

(1) Any person who intends to obtain approval as prescribed in [Article 158 \(2\) of the Act](#) shall file an application stating the matters falling under each of the following subparagraphs with the head of the relevant customshouse:

1. The matter of each subparagraph of [Article 175](#);
2. The name, quantity and price of materials to be used;
3. The objective, method and scheduled period of the maintenance and supplementary work; and

4. The place where goods are stored.

(2) Any person who has obtained approval as prescribed in [Article 158 \(2\) of the Act](#) shall, when he/she completes the maintenance and supplementary work, file a report stating the matters falling under each of the following subparagraphs with the head of the relevant customshouse and obtain a confirmation thereof from him:

1. The name, quantity and price of the relevant goods;
2. The kind, notation, identification number and number of packages;
3. The name, quantity and price of materials used;
4. The name, quantity and price of remainders; and
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 matters falling under each of the following subparagraphs with the head of the relevant customshouse:

1. The name, standard, quantity and price of the relevant goods;
2. The objective, method and scheduled period of the work; and
3. Other reference matters.

(2) When the work of paragraph (1) is completed, a report stating the matters falling under each of the following subparagraphs shall be filed with and confirmed by the head of the relevant customshouse:

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 customshouse); and
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 matters falling under each of the following subparagraphs with the head of the relevant customshouse:

1. The matter of each subparagraph of [Article 175](#);
2. The place where goods are stored; and

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 customhouse.

#### **Article 180 (Report 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 matters falling under each of the following subparagraphs shall be filed with and confirmed by the head of the relevant customhouse:

1. The matter of each subparagraph of [Article 175](#);
2. The place where the goods are stored; and
3. The date on which the goods are destroyed or lost and reasons therefor.

(2) The report referred to in paragraph (1), in case of the goods stored in a licensed bonded area, shall be filed in the name of the operator thereof and in case of the goods stored in a non-licensed bonded area, in the name of the custodian thereof.

#### **Article 181 (Report 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 matters falling under each of the following subparagraphs shall be filed with the head of the relevant customhouse:

1. The matter of each subparagraph of [Article 175](#);
2. The place where the goods in question are stored; and
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 (Report 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 matters falling under each of the following subparagraphs shall be filed with the head of the relevant customhouse: <Amended by Presidential Decree No. 17467, Dec. 31, 2001>

1. The matter of each subparagraph of [Article 175](#);
2. The place where the goods are stored;
3. The date on which their abnormality is found; and

4. Reasons for the abnormality and the state of such abnormality.

(2) The provisions of [Article 180](#) (2) shall apply *mutatis mutandis* to the report referred to in paragraph (1).

#### **Article 183 (Approval for Shipping Samples out of Bonded Area)**

Any person who intends to obtain approval under [Article 161 \(1\) of the Act](#) shall file an application stating the matters falling under each of the following subparagraphs with the head of the relevant customhouse:

1. The matter of each subparagraph of [Article 175](#);
2. The place where the goods are stored; and
3. The objective of shipping the goods out of a bonded area and the shipment period.

#### **Article 184 (Designation of Self-Managed Bonded Area, etc.)**

(1) Any person who intends to get his/her bonded area designated as a self-managed bonded area under [Article 164 \(2\) of the Act](#) shall file an application stating the matters falling under each of the following subparagraphs, appended by registration certificates of licensed managers of bonded goods who are employed by him/her and documents prescribed by the Commissioner of the Korea Customs Service, with the head of the relevant customhouse for designation:

1. The kind, name, location, structure, the number of buildings and area of the bonded area; and
2. The kind of goods stored therein and the storage capacity of the bonded area.

(2) Necessary matters concerning the operation of the self-managed bonded area shall be determined by the Commissioner of the Korea Customs Service.

#### **Article 185 (Duties of Licensed Managers of Bonded Goods)**

(1) The duties of licensed managers of bonded goods under [Article 165 \(4\) of the Act](#) shall be as follows:

1. To monitor and confirm bonded goods or domestic goods shipped into or out of the bonded area;
2. To monitor and confirm the management and handling of goods stored in the bonded area;
3. To open and close the gateway of the bonded area and to supervise the management of keys;
4. To supervise the control of persons entering into and departing from the bonded area;
5. To ship samples out of the bonded area and to collect them back into the bonded area;

and

6. To perform the work, prescribed by the Commissioner of the Korea Customs Service, which is necessary to manage the bonded goods.

(2) Any person who intends to register himself as a licensed manager of bonded goods under [Article 165 \(2\) of the Act](#) shall file an application for registration with the head of the relevant customhouse. <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

(3) The head of the relevant customhouse shall, when the applicant under paragraph (2) is found to meet the requirements as prescribed in [Article 165 \(1\) of the Act](#), deliver him/her a registration certificate of the licensed manager of bonded goods.

(4) Every licensed manager of bonded goods shall receive education necessary for carrying out his/her duties as prescribed by the Commissioner of the Korea Customs Service.

## **SECTION 2 Designated Bonded Area**

**Article 186 Deleted.** <by Presidential Decree No. 18333, Mar. 29, 2004>

### **Article 187 (Designation of Cargo Manager)**

(1) Any cargo manager as prescribed in [Article 172 \(2\) of the Act](#) shall be designated from among the persons falling under each of the following subparagraphs:

1. The heads of a State institutions, who are in charge of directly managing goods;
2. Nonprofit corporations involved in the customs administration or the management of bonded goods; and
3. Any person whose designation is requested by the owner or manager of relevant facilities (limited to a case where a cargo manager is designated in accordance with the proviso to [Article 172 \(2\) of the Act](#)).

(2) The designation of any cargo manager (2) under paragraph (1) shall be established only when the designated person gives his/her consent thereof.

(3) The term "responsibility for keeping goods in custody" in [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.

## **SECTION 3 Licensed Bonded Area**

**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 customhouse: <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 customhouse. In such cases, the head of the relevant customhouse shall verify the corporation register certificate through the administrative data sharing system provided for 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 referred to in paragraph (1) 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 customhouse 30 days before the license period expires: <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

1. Reasons for the renewal;
2. The renewal period.

#### **Article 189 (Standards for License for Establishing and Operating Licensed Bonded Area)**

The requirements for any person to obtain a license for establishing and operating a licensed bonded area shall be as follows:

1. He/she is required not to have any customs duties or domestic taxes in arrears;
2. He/she is required not to fall the disqualifications as prescribed in [Article 175 of the Act](#);
3. He/she is required to obtain permission or approval, etc. from the head of the administrative agency concerned according to the kind in case that he/she stores, manufactures,

displays or sells hazardous goods;

4. He/she is required to meet the requirements for capital, the size of export and import, purchase demand and storage area, etc. necessary to keep, sell and manage bonded goods as prescribed by the Commissioner of the Korea Customs Service.

#### **Article 190 (Change of Business Contents)**

(1) The operator of any licensed bonded area shall, when he/she intends to change the kinds of stored goods, the kinds of licensed work or the raw materials for work, file an application stating reasons therefor with the head of the relevant customhouse to obtain approval therefor from him/her.

(2) The operator of a licensed bonded area, if he/she is a corporation, shall, when he/she alters registered matters, file without any delay a notice stating a summary thereof with the head of the relevant customhouse.

#### **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 customhouse to obtain approval therefor from him: *Provided*, That in the event that 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 customhouse of the fact.

#### **Article 192 (License Period)**

The license period for any licensed bonded area (excluding any bonded exhibition and any bonded construction work site) shall be a period requested by any applicant within the limit of ten years: *Provided*, that the Commissioner of the Korea Customs Service may, when he/she deems it necessary to reasonably manage bonded areas, set the license period of his/her own notwithstanding the license period set at the request of any applicant.

#### **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 matters falling under each of the following subparagraphs on the head of the relevant customhouse:

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; and

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 matters falling under each of the following subparagraphs on the head of the relevant customshouse and if he/she intends to resume the operation of the licensed bonded area, he/she shall notify the head of the relevant customshouse of the fact:

1. The kind, name and location of the licensed bonded area; and
2. Reasons for the suspension thereof and the suspension period.

#### **Article 194 (Report 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 customshouse:

1. A document that makes it possible to confirm the successor or the successor corporation; and

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 or not.

(2) The head of the relevant customshouse 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 customshouse 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 customshouse deems them unnecessary.

(3) The gateway of any licensed bonded area shall be locked. In this case, the head of the relevant customshouse may, when it is 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 (Report on Storage of Domestic Goods, etc.)**

(1) Any person who intends to make 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 customhouse:

1. The matter 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 matters falling under each of the following subparagraphs with the head of the relevant customhouse:

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 customhouse may allow to omit 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 matters falling under each of the following subparagraphs in the book: *Provided*, That in case 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 under the conditions 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; and

5. The date on which the inspection of maintenance or supplementary work is completed.

#### **Article 199 (Scope of Raw Materials at Bonded Factory)**

(1) Raw materials and 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 what falls under each of the following subparagraphs:

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 processing and manufacturing goods in the relevant bonded factory: *Provided*, That any goods that are indirectly put in and consumed to produce manufactured goods and other goods that are used to maintain and operate machinery and tools in the relevant bonded factory shall be excluded; and

3. Goods that are used to pack up goods produced in the relevant bonded factory.

(2) The raw materials used in 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 customhouse 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) Necessary matters concerning the preparation of documents required to be submitted under paragraph (3) shall be prescribed by the Commissioner of the Korea Customs Service.

*[This Article Wholly Amended by Presidential Decree No. 17467, Dec. 31, 2001]*

#### **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 matters falling under each of the following subparagraphs with the head of the relevant customhouse. In this case, 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; and

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 customhouse 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 customshouse may, when it is 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.

*[This Article Wholly Amended by Presidential Decree No. 17467, Dec. 31, 2001]*

#### **Article 201 (Restrictions on Shipment of Foreign Goods into Bonded Factory)**

The Commissioner of the Korea Customs Service may, when it is deemed necessary in light of the domestic supply situation, restrict the shipment of foreign goods into the bonded factory as prescribed in [Article 185 \(3\) of the Act](#).

#### **Article 202 (Report on Use of Goods Shipped into Bonded Factory)**

Any person who intends to make 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 matters falling under each of the following subparagraphs before such goods are used with the head of the relevant customshouse:

1. The matter of each subparagraph of [Article 246 \(1\)](#);
2. The name, standard, quantity and price of such goods; and
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 matters falling under each of the following subparagraphs with the head of the relevant customshouse:

1. Deleted; <by Presidential Decree No. 18333, Mar. 29, 2004>
2. The kind, period and place of bonded work;
3. Reasons for the application; and
4. The name, standard and quantity of goods produced through the relevant work.

(2) The head of the relevant customshouse 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 matters falling under each of the following subparagraphs with the head of the relevant customshouse:

1. The notation, number, name, quantity by standard and mortality of foreign and domestic goods intended for mixed use; and

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) In the event that 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 customshouse 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 case 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 Imposition 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 customshouse, 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; and

4. Intended period of imposition 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 a case where the head of the relevant customshouse deems the existence of unavoidable grounds:

1. The evidential document as prescribed in [Article 186 \(2\) of the Act](#); and

2. The invoice of the relevant goods or any document that may be substituted for such invoice.

(3) The term "standards determined by Presidential Decree" as referred to in [Article 189 \(2\)](#) 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; and

2. Standards, which are decided 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 matters falling under each of the following subparagraphs 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. In the event that 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; and

(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; and

5. In the event that 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; and

(c) The name, standard, quantity and price of the relevant goods.

(2) The head of the relevant customshouse 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 customshouse may, if it is 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 or not and whether the obligation to enter matters in the book under [Article 206](#) is sincerely met or not. <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 include the act falling under each of the following subparagraphs:

1. The act of altering the nature and form of the relevant foreign goods; and
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 customhouse may, when it is 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) In the event that 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 customhouse necessary for the construction of the relevant industrial facilities.

#### **Article 211 (Report 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 customhouse.

#### **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 matters falling under each of the following subparagraphs with the head of the relevant customhouse:

1. The matter 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; and
4. The name, standard and quantity of goods to be produced in the bonded work.

(2) The head of the relevant customhouse may, when it is 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 Store, etc.)**

(1) The operator of any bonded store shall, when he/she sells goods in his/her bonded store, record matters of sale, personnel 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 delivery of goods to the purchasers, etc. in every bonded store.

(3) The operator of any bonded store shall, when he/she sells goods in his/her bonded store to domestic persons departing for foreign nations, sell such goods within the limit of the amount prescribed by the Commissioner of the Korea Customs Service.

(4) The head of the relevant customhouse may check any bonded store to grasp 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. not less than 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.

### **SECTION 4 General Bonded Area**

#### **Article 214 (Designation of General Bonded Area, etc.)**

(1) A general bonded area (hereinafter referred to as the "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>

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 distribution complex under the [Promotion of Distribution Complex Development Act](#);  
and
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 ask for the designation of a general bonded area under [Article](#)

[197 \(1\) of the Act](#) (hereinafter referred to as a "person who asks for the designation of a general bonded area") shall file a designation application stating the matters falling under each of the following subparagraphs, 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; and
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 to be as an "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.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **Article 215 (Report 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 make 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 customshouse.



**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.)**

The term "persons, including foreign tourists, etc. who are designated by Presidential Decree" 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 the person falling under each of the following subparagraphs shall be excluded: <Amended by Presidential Decree No. 19478, May 22, 2006>

1. Any Corporation;
2. Any foreign diplomat (including any foreign mission staff member corresponding to such foreign diplomat) who resides in Korea; and
3. Any military person belonging to the UN forces and U.S. forces that are stationed in Korea.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

**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 the "seller") in accordance with [Article 199-2 of the Act](#) shall file an import return thereon and pay customs duties by self-return of the goods that he/she sells under the conditions as prescribed by the Commissioner of the Korea Customs Service.

(2) Every seller shall, if his/her import return 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.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

**Article 216-4 (Refund of Customs Duties, etc. to Foreign Tourists, etc.)**

(1) In the event that 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 customshouse having jurisdiction over the departure airport and port (hereinafter referred to as the "head of the relevant customshouse having jurisdiction over the departure airport and port") when he/she departs Korea to have them confirmed.

(2) The head of the relevant customshouse 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 in the event that 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.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **Article 216-5 (Refund of Customs Duties, etc. by Seller)**

(1) Any seller may, in the case falling under each of the following subparagraphs after he/she sells goods at a price that includes customs duties and domestic 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; and
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 matters falling under each of the following subparagraphs, accompanied by a written sales confirmation that are confirmed by the head of the relevant customhouse 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 customhouse having jurisdiction over the relevant general bonded area. In this case, 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; and
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.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **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 the "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 this case, 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.", "dutyfree 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 customshouse" 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>

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **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 customshouse;
3. Facilities and equipment prescribed by Acts and subordinate statutes governing the fire fighting, electricity and the control of hazardous materials, etc.; and
4. Facilities necessary for preventing bonded goods from being stolen and lost.

(2) In the event that 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 (Cancellation of Designation of General Bonded Area and Reasons for Suspending Function)**

(1) The term "other grounds prescribed by Presidential Decree" in [Article 204 \(1\) of the Act](#) means the case falling under each of the following subparagraphs:

1. Where a person who has requested the designation of his/her general bonded area requests the cancellation of such designation; and

2. Where the requirements for designating a general bonded area are extinguished.

(2) The term "other grounds prescribed by Presidential Decree" in [Article 204 \(2\) 2 of the Act](#) means the case falling under each of the following subparagraphs:

1. Where no foreign goods are shipped into or out of the general bonded area for one year; and

2. Where the operator of the general bonded area fails to meet his/her obligation to maintain facilities and equipment as prescribed in [Article 202 \(1\) of the Act](#).

### **SECTION 5 Custody and Disposal**

#### **Article 219 (Custody and Deposit of Goods, and Cancellation Thereof)**

(1) The head of the relevant customshouse 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 matters falling under each of the following subparagraphs:

1. The kind, number, name, standard and quantity of the packages of the relevant goods;

2. Reasons for custody or deposit; and

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 customshouse.

#### **Article 220 (Sale Agent)**

Any institution which is permitted to act on behalf of the head of the relevant customshouse in selling overly-long-stored goods under [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>

1. The Korea Assets Management Corporation established pursuant to the [Act on the](#)

[Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of the Korea Assets Management Corporation;](#)

2. The Korea Veterans Welfare Corporation established pursuant to the [Korea Veterans Welfare and Healthcare Corporation Act](#);

3. Any corporation and any organization which 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; and

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 customhouse 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 customhouse 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 the second competitive bidding, but the ceiling of diminishment shall be 50/100 of the initially estimated price: *Provided*, That it may 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) In the event that 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 a case 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 case 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.

(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) The term "goods prescribed by Presidential Decree" in [Article 210 \(4\) of the Act](#) means goods deemed necessary for speedy sale and designated as the subject of consignment sale by the Commissioner of the Korea Customs Service from among goods falling under each of the following subparagraphs:

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; and

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 case 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 dutiable 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; and
2. Other goods which are designated by the Commissioner of the Korea Customs Service.

(9) The term "where the goods cannot be sold through the competitive bidding according to the nature, form and the purpose of use, etc. of such goods" in [Article 210 \(3\) 2 of the Act](#) means the case falling under each of the following subparagraphs:

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; and
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 customshouse or kept in custody by a third person may be transferred to a sale agent. In this case, 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 customshouse to withdraw the written request for the sale of the goods.

- (2) The head of the relevant customshouse 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.

## **CHAPTER VIII TRANSPORTATION**

### **SECTION 1 Bonded Transportation**

#### **Article 226 (Report on Bonded Transportation, etc.)**

(1) Any person who intends to file a report on the bonded transportation or to obtain approval therefor under [Article 213 of the Act](#) shall file a report or a written application stating the matters falling under each of the following subparagraphs with the head of the relevant customhouse: *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; and
7. The name, address, business registration number, and name of representative of the owner of goods.

(2) The head of the relevant customhouse may, when he/she deems it unnecessary taking into account the transportation distance and other circumstances, allow to omit part of entry matters of each subparagraph of paragraph (1).

(3) The case where approval is required for bonded transportation under the proviso to [Article 213 \(2\) of the Act](#) means the case where it is intended to transport the goods falling under any of the following subparagraphs: <Amended by Presidential Decree No. 19478, May 22, 2006>

1. Goods intended to be again transported in a bonded manner into other bonded area from

among goods which are 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 Livestock Epidemics](#);
3. Dangerous substances provided for in the [Safety Control of Dangerous Substances Act](#);
  - 3-2. Toxic chemicals provided for in the [Toxic Chemicals Control Act](#);
4. Non-metallic elements;
5. Goods for which 30 days have elapsed from the day 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 which are under transportation 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 which the owner or the title holder of the cargo directly transports in a bonded manner;
10. Goods whose place for customs clearance is limited under [Article 236 of the Act](#);
11. Goods which are 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 customshouse for the purpose of preventing illegal export and import; and
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 customshouse in accordance with the Act.

(4) With respect to goods whose bonded transportation is not deemed an impediment to the control of cargoes and the prevention of illegal export and import by the Commissioner of the Korea Customs Service even if they are not subjected to approval, from 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 matters falling under each of the following subparagraphs with the head of the relevant customshouse, 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 customshouse 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; and
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 matter of each subparagraph of [Article 226](#) (1) with the head of the relevant customshouse.

(2) The provisions of [Article 226](#) (3) shall apply mutatis mutandis to the case of paragraph (1).

### **SECTION 2 Domestic Transportation**

#### **Article 230 (Report on Domestic Transportation)**

The provisions of [Article 226](#) shall apply mutatis mutandis to the report as prescribed in [Article 221 of the Act](#).

### **SECTION 3 Operator of Bonded Transportation Business**

#### **Article 231 (Registration of Bonded Transportation Business Operator)**

(1) Any person who intends to register himself as an operator of bonded transportation business under [Article 222 \(1\) of the Act](#) shall file an application stating the matters falling under each of the following subparagraphs with the head of the relevant customshouse:

1. The domicile, name and firm name of the applicant; and
2. Business type and the place of business.

(2) The head of the relevant customshouse shall, if the applicant meets the registration requirements as prescribed in [Article 223 of the Act](#) and falls under each of the following subparagraphs, enter necessary matters in the registration roll and deliver a registration certificate:

1. Where he/she is complete with the transportation means or facilities and equipment prescribed by the Commissioner of the Korea Customs Service as necessary for the bonded transportation, the provision of loaded or unloaded goods and the international transportation, etc.;

2. Where he/she holds the capital or deposit in excess of a certain amount of money prescribed by the Commissioner of the Korea Customs Service; and

3. Where he/she has not been investigated as a customs offender or is not under indictment for violating the Act or any order given by the head of the relevant customhouse under the Act.

(3) The validity of the registration referred to in paragraph (1) shall be 3 years and renewable. In this case, any person who intends to renew the validity shall file an application for the renewal of registration with the head of the jurisdictional customhouse 30 days before the day on which the validity expires.

(4) Any person who completes the registration under paragraph (1) shall, if any change occurs in the registered matters, promptly file a report thereon with the head of the jurisdictional customhouse.

#### **Article 232 (Report by Broker of Bonded Cargo Transportation)**

(1) Any person who intends to handle bonded cargoes under [Article 225 \(1\) of the Act](#) (including a case where the provisions are applied *mutatis mutandis* in paragraph (3) of the same Article) shall make a report attesting that he/she meets the requirements falling under each of the following subparagraphs and stating the domicile, name, firm name and the place of business of the applicant with the head of the relevant customhouse:

1. He/she is required not to fall under each subparagraph of [Article 175 of the Act](#); and
2. He/she is required to make a registration according to the business type of the cargo transportation brokerage under the relevant Acts and subordinate statutes.

(2) The term "important matters that are prescribed by Presidential Decree" in the latter part of [Article 225 \(1\) of the Act](#) means the matters falling under any of the following subparagraphs: *<Newly Inserted by Presidential Decree No. 19478, May 22, 2006>*

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; and
3. The registered matters that are reported pursuant to the provisions of paragraph (1) 2.

(3) The head of the relevant customhouse may get any broker of the bonded cargo transportation to report the matters falling under each of the following subparagraphs in accordance with [Article 225 \(2\) of the Act](#) (including a case where the provisions are applied *mutatis mutandis* in paragraph (3) of the same Article):

1. Details of the bill of lading or the airway bill issued by the broker of bonded cargo transportation to the owner of goods; and
2. Matters necessary to investigate any customs offender or speed up customs clearance, including the abnormality of goods discovered in the course of brokering the bonded transportation.

## CHAPTER IX CUSTOMS CLEARANCE

### SECTION 1 Common Provisions

#### 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 customshouse, 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 customshouse, who has requested the meeting of such obligation only in the case 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 Acts and subordinate statutes;
2. Where the obligation is rescinded following the revision, etc. of the Acts and subordinate and statutes; and
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 customshouse 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](#); and
3. Goods designated by the Commissioner of the Korea Customs Service to distinguish them from illegal import goods.

- (2) Necessary matters concerning 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 of Country of Origin Certificate, etc.)**

(1) Any person falling under each of the following subparagraphs shall furnish a document attesting the country of origin of the relevant goods (hereinafter referred to as the "country of origin certificate") with the head of the relevant customshouse when he/she files an import declaration on the relevant goods:

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; and

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 the goods falling under each of the following subparagraphs 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 customshouse is able to confirm their country of origin by their kind, nature, form, trademark, producing country name and manufacturer, etc.;

2. Postal materials (excluding any postal materials falling under [Article 258 \(2\) of the Act](#));

3. Goods whose dutiable value (referring to the dutiable value calculated by applying *mutatis mutandis* [Article 15 of the Act](#) in case 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; and

5. Goods prescribed by the Commissioner of the Korea Customs Service upon consulting with the heads of administrative agencies concerned.

(3) Any country of origin certificate which is submitted to the head of the relevant customshouse under paragraph (1) shall be as follows:

1. The relevant customshouse, the institution with the authority to issue certificates of the chamber of commerce and industry of the country of origin shall confirm the country of origin (including 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 or origin, but via a third country, if the relevant customshouse, the institution with the authority 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 country of origin certificate issued by the country of origin for the relevant goods; and

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 country of origin certificate 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 one issued within one year from the day on which an import declaration is filed.

(5) When the head of the relevant customhouse asks any institution that has issued the country of origin certificate to confirm the authenticity and correctness of such certificate in accordance with [Article 233 of the Act](#), such request shall contain the matters falling under each of the following subparagraphs:

1. Reasons for harboring the doubt about the authenticity and correctness of the country of origin certificate and other requested matters;
2. Regulations concerning the country of origin that is applied to the relevant goods;
3. The original and copy of the country of origin certificate; and
4. Documents, including the related invoice, necessary to confirm the country of origin.

#### **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 matters falling under each of the following subparagraphs before he/she files an import declaration on the relevant goods (hereinafter referred to as a "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 Acts and subordinate 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 Acts and subordinate 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; and
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 from the date on which he/she receives such application: *Provided*, That in the event that it is difficult to make the prior confirmation on the grounds of the imperfection, etc. of materials submitted, the relevant applicant shall be notified of such grounds.

(3) The head of the relevant customshouse shall, if 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 the reduction, etc. of customs duties thereto according to contents of the written prior confirmation unless special grounds exist.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **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 this case, the Commissioner of the Korea Customs Service shall inform the applicant of contents of such change.

(2) In the event that 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.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **Article 236-4 (Country of Origin Confirmation Committee)**

(1) The Country of Origin Confirmation Committee (hereinafter referred to as the "Committee") shall be set up in the Korea Customs Service to deliberate on matters that are put by the Commissioner of the Korea Customs Service on its agenda from among matters concerning the prior confirmation and changes, etc. provided for in [Articles 236-2](#) (1) and [236-3](#).

(2) The Committee shall consist of not more than 10 members, including one chairman.

(3) The chairman shall be appointed from among public officials who belong to the Senior Civil Service and members shall be appointed or commissioned by the Commissioner of the Korea Customs Service from among persons falling under any of the following subparagraphs: *<Amended by Presidential Decree No. 19513, Jun. 12, 2006>*

1. Public officials in charge of the country of origin affairs in central administrative agencies concerned;

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 customshouses; and

3. Other persons of profound learning and experience in the country of origin affairs.

(4) In the event that the chairman is unable to perform his/her duties on the grounds of inevitability, a person who is nominated by the chairman shall perform the latter's duties.

(5) In the event that any member who is a public official is unable to attend the Committee's meeting on the grounds of inevitability, other public official (referring to a public official nominated

by the chairman when the relevant post remains vacant) who is nominated by such member may attend the Committee's meeting to act as a member on behalf of the former.

(6) The Committee's meetings shall open with the attendance of a majority of the total members on the register roll and resolve with the concurrent vote of a majority of those present.

(7) The Committee shall have one secretary charged with administrative affairs and the secretary shall be nominated by the chairman 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 belong to the Senior Civil Service. <Amended by Presidential Decree No. 19513, Jun. 12, 2006>

(8) 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.

(9) In the event that members and advisory members who are not public officials attend the Committee's meetings, they may be paid travel expenses and allowances within limits of budget.

(10) Matters concerning the operation of the Committee that are not prescribed by this Decree shall be prescribed by the Commissioner of the Korea Customs Service.

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

#### **Article 236-5 (Entrustment of Collection of, and Analysis on Information on Places of Origin)**

(1) Under [Article 233-2](#) (2), the Commissioner of the Korea Customs Service may entrust a corporation or the head of an organization with the following duties:

1. Building and operating systems for the management of information on places of origin;
2. Among inspection works on the places of origin under [Article 13 of the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements](#), for the Fulfillment of Free Trade Agreements, matters that requires expertise such as manufacturing process analysis, transaction type analysis, the classification of goods, added value calculation, etc.;
3. Matters relating to preliminary investigation on the places of origin under [Article 13 of the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements](#), and treaties and agreements;
4. Matters relating to preliminary investigation on the prior verification under [Article 236-2](#);
5. 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 announce a corporation or the head of an organization, whom the duties referred to in paragraph (1) may be entrusted with, from among corporations or the heads of organizations that have professionals and computer facilities necessary for collection of, and analysis on such information on the places of origin as the classification of goods or standards for the places of origin, which are prescribed by the Commissioner of the Korea Customs Service.

(3) Matters relating to orders and supervision to a corporation or the head of an organization whom the duties may be entrusted under paragraph (2).

*[This Article Newly Inserted by Presidential Decree No. 20624, Feb. 22, 2008]*

#### **Article 237 (Report on Trademark, Copyright, etc.)**

Any person who intends to report, under [Article 235 \(2\) of the Act](#), trademark rights (hereinafter referred to as "trademark rights"), copyright, or neighboring right pursuant to the [Copyright Act](#) (hereinafter referred to as the "copyright, etc."), under paragraph (1) of the same Article, shall file a report with the head of the relevant customhouse, stating the following matters, accompanied by evidentiary documents registered under the [Trademark Act](#), or [Copyright Act](#): *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 21634, Jul. 22, 2009>*

1. The person entitled to use the trademarks, copyrights, etc.;
2. Details and scope of the trademark rights, copyrights, etc.;
3. The exporter, importer or exporting and importing country which possibly infringes on trademark rights;
4. Matters necessary to confirm an infringement.

#### **Article 238 (Request for Withholding Customs Clearance)**

Any person who intends to request the withholding of customs clearance 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 Acts and subordinate statutes with the head of the relevant customhouse: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*

1. The name, exporter, importer and exporting and importing country;
2. Details and scope of the trademarks, copyrights, etc.;
3. Reasons for the request;
4. Matters necessary to prove the fact of infringement.

#### **Article 239 (Withholding of Customs Clearance)**

(1) The head of the relevant customhouse shall, when goods on which an export declaration or an import declaration is filed are deemed the goods against which a request is filed for withholding the customs clearance thereof on the grounds of their infringement of trademark rights, copyrights, etc. under [Article 235 \(3\) and \(4\) of the Act](#), withhold the customs clearance for the relevant goods: *Provided*, That in the event that a person holding trademark rights, copyrights, etc. consents to the customs clearance of the relevant goods, such customs clearance shall be granted under the conditions as prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*



(2) If the head of the relevant customshouse withholds any customs clearance under [Article 235 \(5\) and \(7\)](#), he/she shall notify exporters or an importers of the fact of such withholding, and persons holding trademark right, copyrights, etc. of each of the following matter: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. The names and addresses of exporters, importers, consignees and shippers;
2. The quantities, and characteristics and conditions of goods subject to withholding; and
3. Place of origin, etc. and Other necessary matters

(3) In the event that a person who has filed a request for withholding the customs clearance of the relevant goods proves the fact that he/she has instituted a lawsuit to the court within ten days (excluding any holiday or any legal holiday; hereafter the same in this paragraph shall apply) from the day on which he/she is notified of the fact of the withholding of customs clearance for the relevant goods under paragraph (2), the head of the relevant customshouse may continue withholding the customs clearance for the relevant goods. In this case, if the person who has filed the request for withholding the customs clearance fails to institute a lawsuit to the court within ten days for unavoidable reasons, the period for proving the fact may be extended for ten days.

(4) Notwithstanding paragraph (3), if the withholding 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:

1. If the court specifies the provisional protection measure period: the last day; and
2. If the court does not specify the provisional protection measure period: 31 days from the day on which the provisional protection measure commences.

(5) Any withholding of customs clearance 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. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

(6) Any goods for which customs clearance is withheld 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 customshouse until customs clearance thereof is granted. <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

#### **Article 240 (Request for Customs Clearance for Good Whose Customs Clearance is Withheld)**

(1) In the event that a person who has filed an export declaration or an import declaration intends to request the customs clearance 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 customshouse, along with evidentiary documents explaining that the relevant goods have not infringed on any trademarks, copyrights, etc., as prescribed by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

(2) The head of the relevant customshouse shall, upon receiving the request referred to in paragraph (1), notify without any delay the person who has requested the withholding of the customs clearance thereof 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 customshouse.

(3) The head of the relevant customshouse shall, upon receiving the request referred to in paragraph (1), decide whether to accept customs clearance of the goods within fifteen days from the day on which the request for customs clearance is made. In this case, the head of the relevant customshouse may make such decision after consulting with agencies concerned or hearing opinions of experts.

#### **Article 241 (Offer of Security, etc.)**

(1) Any person who intends to offer security to the head of the relevant customshouse in accordance with [Article 235 \(3\) and \(4\) of the Act](#) shall offer the amount equivalent to 120/100 of the dutiable value of the relevant goods as security under [Article 24 \(1\) 1 through 3 and 7 of the Act](#). *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

(2) Any person who has filed an export declaration shall, when he/she intends to offer security to the head of the relevant customshouse under the proviso to [Article 235 \(5\) of the Act](#), offer the amount calculated by adding 25/100 to the amount of the security referred to in paragraph (1) as such security under [Article 24 \(1\) 1 through 3 and 7 of the Act](#). *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

(3) Any person who offers security under paragraph (1) or (2) shall furnish a document stating that the offered security may be used to compensate for any damage inflicted on any person who has filed an import declaration or any person who has requested the withholding of customs clearance to the head of the relevant customshouse.

(4) The head of the relevant customshouse shall, when he/she accepts customs clearance for the goods whose customs clearance is withheld under [Article 235 \(3\) and \(4\) of the Act](#) or continues the withholding of customs clearance in spite of the request for such customs clearance under the proviso to [Article 235 \(5\) of the Act](#), return the offered security to the offerer under paragraph (1) or (2).

(5) The provisions of [Articles 11](#) and [13](#) shall apply mutatis mutandis to the application for rescinding the security offered under paragraphs (1) and (2) and the blanket security.

#### **Article 242 (Confirmation of Infringement on Trademark Rights, Copyrights, etc.)**

(1) The head of the relevant customshouse may, when he/she deems it necessary to decide whether trademark rights, copyrights, etc. of imported or exported goods is infringed on, ask the holder of such trademark rights, copyrights, etc. to provide professionals specializing in trademark rights or test facilities. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*

(2) In the event that any holders of trademark rights, copyrights, etc. or any persons who have filed an export declaration or an import declaration, etc. claims to inspect or take a sample of goods, of which the fact of export and import is notified under the main sentence of [Article 235 \(3\) of the Act](#) or the goods subject to customs withholding under the main sentence of [Article 235 \(5\) of the Act](#), to determine the infringement on their trademark rights, copyrights, etc. the head of the relevant customshouse 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>*

(3) Necessary matters concerning the confirmation of infringement on trademark rights,

copyrights, etc. and procedures for withholding customs clearance shall be determined by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

#### **Article 243 (Exclusion of Application)**

The provisions of [Article 235 \(1\) of the Act](#) shall not apply to goods exported or imported in small quantity not for commercial purpose, but for personal use, including the personal effects of travelers and postal materials, etc.

**Article 244 Deleted.** <by Presidential Decree No. 20624, Feb. 22, 2008>

#### **Article 245 (Order of Inbound Shipping)**

(1) In the event that 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 customshouse 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 a case 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 a correctional measure with respect to such goods in accordance with related Acts and subordinate statutes: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. Where the obligation as prescribed in [Article 227 of the Act](#) is not met;
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 declaration or an import declaration thereon is accepted; and
3. Where trademark rights, copyrights, etc. are infringed upon.

(2) The Commissioner of the Korea Customs Service or the head of the relevant customshouse shall, in the event that 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 customshouse 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 customshouse, or in a proper place. In this case, 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 customshouse: *Provided*, That if the grounds exist that make it difficult 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 had of the relevant customshouse.

(5) The head of the relevant customshouse 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 this case, the cost involved in returning or disposing of the goods shall be borne by the person who is ordered to do so.

(6) In the event that 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 mtuandis 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.

## **SECTION 2 Exportation, Importation and Return**

### **Article 246 (Declaration on Export, Import or Return)**

(1) The term "matters prescribed by Presidential Decree" in [Article 241 \(1\) of the Act](#) means the matters of the following subparagraphs: <Amended by Presidential Decree No. 17833, Dec. 30, 2002>

1. The kind, identification number and number of packages;
2. The destination, the country of origin and the place of loading;
3. Whether, in case of goods subject to being labeled the country of origin, such goods are labeled or not, the method of putting labels on the goods and the form of such labels;
4. The trademark;
5. The business registration number, customs clearance code and overseas supplier code;
6. The place where goods are stored; and
7. Other reference matters.

(2) Any 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, which states the matters of the following subparagraphs with the head of the relevant customshouse:

1. The matters of each subparagraph of paragraph (1); and
2. The name, standard, quantity and price of the relevant goods.

(3) The goods on which the declaration is omitted under [Article 241 \(2\) of the Act](#) shall be those falling under any of the following subparagraphs: *Provided*, That the goods falling under [Article 226 of the Act](#) shall be excluded:

1. The personal effects of travelers as prescribed in subparagraph 1 of [Article 96 of the Act](#);
2. The personal effects of crews as prescribed in subparagraph 3 of [Article 96 of the Act](#);
3. Postal materials (excluding what falls 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); and
5. Consignments and unaccompanied goods, including documents and lowpriced and duty-free goods, etc., which are prescribed as necessary for speedy customs clearance by the Commissioner of the Korea Customs Service.

(4) With respect to goods whose customs duties are exempted or free of customs duties from among the imported goods as prescribed in [Article 241 of the Act](#), the import declaration thereon shall be deemed accepted at the time that the inspection thereof is completed.

(5) In filing an export declaration under [Article 241 \(2\) of the Act](#), when the price indicated in a foreign currency is converted into the domestic currency to calculate an export declaration price, the rate thereof shall be one, prescribed by the Commissioner of the Korea Customs Service, which is calculated by averaging foreign exchange rates of the week preceding the week which includes the day on which an export declaration is accepted.

(6) The term "goods prescribed by Presidential Decree" referred to in [Article 241 \(6\) of the Act](#) shall mean one falling under any one of the following subparagraphs: <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

1. Electricity;
2. Gas;
3. Oil; and
4. Water.

(7) The term "facilities or equipment, etc. prescribed by Presidential Decree" referred to in [Article 241 \(6\) of the Act](#) shall mean whole facility designed and manufactured to be suitable for supplying goods falling under any one of the subparagraphs of paragraph (6), such as electric wires, pipes, etc. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

(8) Paragraphs (1) and (2) shall apply *mutatis mutandis* to the cases of exporting, importing or returning 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 the additional duty as prescribed in [Article 241 \(4\) of the Act](#) shall be calculated according to the rate falling under each of the following subparagraphs:

1. 5/1,000 of the dutiable value of the relevant goods, when a declaration thereon is filed within 20 days from the day on which the time limit as prescribed in [Article 241 \(3\) of the Act](#)

expires (hereafter in this Article referred to as the "declaration time limit");

2. 10/1,000 of the dutiable value of the relevant goods, when a declaration thereon is filed within 50 days from the day on which the declaration time limit expires;

3. 15/1,000 of the dutiable value of the relevant goods, when a declaration thereon is filed within 80 days from the day on which the declaration time limit expires; and

4. 20/1,000 of the dutiable value of the relevant goods in case of other than subparagraphs 1 through 3.

(2) The amount of the additional duty under paragraph (1) shall not exceed five million won.

(3) With respect to the goods whose bonded transportation is made after the expiration of the time limit, 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 that an import declaration or a return declaration is filed.

#### **Article 248 (Goods subject to Additional Duty)**

Goods on which the additional duty as prescribed in [Article 241 \(4\) of the Act](#) is collected shall be those prescribed by the Commissioner of the Korea Customs Service necessary to be speedily distributed taking into account the kind of the bonded area and the characteristics of the relevant goods.

#### **Article 249 (Import Declaration Prior to Port Entry)**

(1) The import declaration as prescribed in [Article 244 \(1\) of the Act](#) may be filed five days (one day in case of aircraft) before a vessel or an aircraft laden with the relevant goods enters the port or the airport of Korea after departing the port or the airport where such goods are loaded.

(2) In case of a short departure-entry period, if it is deemed difficult 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 Acts or subordinate statutes 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) The term "documents prescribed by Presidential Decree" in [Article 245 \(1\) of the Act](#) means the documents falling under each of the following subparagraphs:

1. The copy of the bill of lading or the copy of the airway bill;
2. The country of origin certificate (limited to a case where it is applied in [Article 236 \(1\)](#));  
and
3. Other reference documents.

(2) In the event that 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 customhouse 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 customhouse may get such goods inspected *ex officio* under the conditions as prescribed by the Commissioner of the Korea Customs Service.

(2) In the event that 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 customhouse may prescribe the date, place and method, etc. and then notify the declarer that he/she is allowed to participate in such inspection.

#### **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.

*[This Article Wholly Amended by Presidential Decree No. 22086, Mar. 26, 2010]*

#### **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 matters falling under each of the following subparagraphs with the head of the relevant customhouse:

1. The matter 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 customhouse shall, when he/she rejects any declaration in accordance with [Article 250 \(3\) of the Act](#), serve a notice stating the matters falling under each of the following subparagraphs 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 customhouse 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 an application for approving the withdrawal of a declaration under [Article 250 \(1\) of the Act](#) is deemed justifiable and reasonable;
2. Where an application for approving the extension of the loading period under the proviso to [Article 251 \(1\) of the Act](#) is deemed justifiable and reasonable;
3. Where the head of the relevant customhouse confirms the loading of the relevant goods before he/she revokes the acceptance of an export declaration;
4. Where the head of the relevant customhouse deems it difficult to load goods within the period prescribed in [Article 251 \(1\) of the Act](#).

(2) The head of the relevant customhouse shall, when he/she revokes the acceptance of any export declaration under paragraph (1), serve, without any 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 customhouse:

1. The matter 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 customhouse 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.

#### **Article 257 (Shipment of Goods out of Means of Transportation Prior to Export 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 customhouse.

(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 customhouse only in cases 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 E-Commerce Goods)**

The Commissioner of the Korea Customs Service may prescribe otherwise the matters falling under each of the following subparagraphs 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 259 (Countries Subject to Application of Special Cases of Procedures for Customs Clearance)**

(1) Countries that may be subject to the application of the special cases of the procedures for customs clearance under [Article 255 of the Act](#) shall be as follows:

1. Countries that have concluded treaties on the convenience of the procedures for customs clearance with Korea;

2. Countries that have concluded trade treaties, etc. with Korea.

(2) Procedures for granting the special cases in customs clearance, the suspension of the special cases and other necessary matters shall be prescribed by the Commissioner of the Korea Customs Service.

**Article 259-2 (Standards, etc. for Safety Management of Export and Import)**

(1) The standards for the safety management pursuant to [Article 255 2 \(1\) of the Act](#) shall be as follows:

1. Acts and subordinate statutes related to export and import, such as the [Customs Act](#), [Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements](#), [Foreign Trade Act](#), shall be observed faithfully;

2. The financial soundness shall be attained, such as taxes on business activities, such as customs duties, should not be in arrears;

3. The operating system, business connection, means of transportation and employee education system which can secure the safety management of goods exported or imported shall be equipped;

4. Other standards determined by the Commissioner of the Korea Customs Service shall be equipped, in which the standards for the safety management of export and import determined by the World Customs Organization have been reflected.

(2) When the Commissioner of the Korea Customs Service examines pursuant to [Article 255-2 \(2\) of the Act](#), he/she may partially omit an examination on the standards of the safety management 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 suitability confirmation 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 examine whether to meet standards for safety management pursuant to the latter part of [Article 252-2 \(2\) of the Act](#) shall be prescribed and publicly notified by the Commissioner of the Korea Customs Service among the institutions or organizations meeting all the requirements under the following subparagraphs: *<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 computer equipment necessary for the examination of standards for safety management.

(4) Entrustment procedures for examination 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 shall be determined by the Commissioner of the Korea Customs Services.

*[This Article Newly Inserted by Presidential Decree No. 21305, Feb. 4, 2009]*

### **Article 259-3 (Procedures for Authorization of Excellent Enterprises in Safety Management of Export and Import)**

(1) Any person who intends to be authorized as an excellent enterprise in the safety management of export and import 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. A self-appraisal of the safety management;
2. An explanation of the present status of the safety management; and
3. Other documents determined by the Commissioner of the Korea Customs Service in connection with the present status of the safety management of the enterprise.

(2) In cases where the Commissioner of the Korea Customs Service has received an application pursuant to paragraph (1), he/she shall examine whether the enterprise meets the standards for the safety management under [Article 259-2 \(1\)](#) and issue an authorized certificate only when the enterprise meets such standards.

(3) The Commissioner of the Korea Customs Service shall determine the grade of authorization on an excellent enterprise in the safety management of export and import, detailed procedures for examination on authorization of the safety management and other necessary matters: *Provided*, That he/she shall consult matters related to other Acts and subordinate statutes concerning the safety management, such as the International Ship and Port Facility Security Act, with the head of a related agency in advance.

*[This Act Newly Inserted by Presidential Decree No. 21305, Feb. 4, 2009]*

## **SECTION 3 Postal Materials**

### **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 case 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)**

The term "postal materials in conformity 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>*

1. Goods whose export and import are restricted or banned in accordance with Acts and

subordinate statutes;

2. Goods which require a confirmation of the head of the relevant customshouse 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 to grant customs clearance and whether to make subject to the imposition of customs duties);

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; and

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 Customshouse, 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 case of paragraph (1), the duty payment notice issued by the relevant customshouse 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 customshouse in case of [Article 262 \(2\)](#) and to the postal service office in other case, respectively.

## **CHAPTER X REQUEST BY CUSTOMS OFFICERS FOR SUBMITTING MATERIALS**

#### **Article 264 (Business Report)**

The Commissioner of the Korea Customs Service or the head of the relevant customshouse 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 matters of the following subparagraphs 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; and
6. The date of sale of the sold goods.

## **CHAPTER X I ADDITIONAL COLLECTION OF GOODS WHICH CANNOT BE CONFISCATED**

**Article 265 Deleted.** <by Presidential Decree No. 21305, Feb. 4, 2009>

### **Article 266 (Domestic Wholesale Price)**

The term "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.

## **CHAPTER X II INVESTIGATION AND DISPOSITION**

### **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 Acts and subordinate statutes, he/she shall keep such suspect in custody in the relevant customhouse, 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 a case where it is deemed unnecessary to seal any goods or it is deemed difficult 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 *Sil/Gun/Eup/Myeon*, the procedures for payment thereof may be taken while keeping such goods in custody as they are.

#### **Article 271 (Application for Prepayment of Fine or Surcharge, etc.)**

(1) Any person who intends to prepay the amount equivalent to a fine or a surcharge shall file an application stating the matters falling under each of the following subparagraphs with the Commissioner of the Korea Customs Service or the head of the relevant customhouse:

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 customhouse 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 customhouse 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 surcharge 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 customhouse 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 customhouse 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 customhouse shall inform the Commissioner of the Korea Customs Service or the head of the relevant customhouse of detailed results of the investigation.

## CHAPTER XIII SUPPLEMENTARY PROVISIONS

**Article 273-2 Deleted.** <by Presidential Decree No. 19993, Apr. 5, 2007>

### **Article 274 (Office Hours of Relevant Customhouse and Hours for Handling of Goods)**

The office hours of every customhouse 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 classification falling under each of the following subparagraphs: <Amended by Presidential Decree No. 18530, Aug. 30, 2004; Presidential Decree No. 19478, May 22, 2006>

1. The office hours of every customhouse 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 in case where deemed necessary in view of the peculiarity of affairs of the relevant customhouse, such as the regular arrivals in or departure from ports of aircraft and ships, etc., the head of the relevant customhouse may set a different office hours by departments by obtaining an approval from the Commissioner of the Korea Customs Service; and

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 customhouse 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 file a notice stating the kind of administrative affairs, the time and the reasons thereof with the head of the relevant customhouse: *Provided*, That the same shall not apply to any postal materials other than postal materials which require 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 customhouse, except for any of the following cases: <Amended by Presidential Decree No. 20624, Feb. 22, 2008>

1. Where postal materials are handled (excluding the postal materials which require a declaration thereon under [Article 241 of the Act](#));

2. Where the relevant goods are handled within the notified hours under paragraph (1);

3. Where the bonded work is done in a bonded factory: *Provided*, That the same shall not apply to a case where the head of the relevant customhouse deems it an impediment to supervision and control;

4. Where the exhibition, use or construction work is carried out in a bonded exhibition or a bonded construction work site;

5. Where export goods are handled, for which the relevant customhouse omits the inspection thereof when an export declaration thereon is accepted;

5-2. Loading and unloading at harbors or airports as referred to in the attached Table 3; or

6. Where the relevant goods are handled due to a calamity or unavoidable reasons. In this case, an explanatory note thereon shall be later filed with the head of the relevant customhouse for his/her confirmation.

(3) The notice referred to in paragraph (1) shall state the matters falling under each of the following subparagraphs:

1. The classification into domestic or foreign goods of the relevant goods, and the name and quantity of the relevant goods;

2. The types, numbers and quantities of packaging;

3. The kinds of goods handled; and

4. The hours and places of business.

(4) The prior notice as 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 matters falling under any of the following subparagraphs 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; and

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) The term "the case 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>

(4) Any person who intends to get the delivery of a certificate or statistics under [Article 322 \(6\) of the Act](#) shall file an application stating the matters falling under any of the following subparagraphs with the Commissioner of the Korea Customs Service, the head of the relevant customhouse or any person acting for him/her under [Article 322 \(5\) of the Act](#): <Amended by Presidential Decree No. 17833, Dec. 30, 2002>

1. The kinds and details of the media in which certificates or statistics are recorded; and



2. Reasons for getting the delivery.

**Article 277 (Method of Rewards)**

(1) Rewards as 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 under conditions prescribed by the Commissioner of the Korea Customs Service.

(2) In the event that the Commissioner of the Korea Customs Service sets the standards for rewards under 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 to a case where the reward amount per person is not more than 1,000,000 won. <Amended by Presidential Decree No. 17467, Dec. 31, 2001>

(3) In cases of paragraph (1), any person who has tipped off the relevant customshouse or other investigative agency about a customs offender from among persons who are credited under the provisions of [Article 324 \(1\) of the Act](#), and any person who has reported on a hidden asset of a defaulter under [Article 324 \(2\) of the Act](#) may be rewarded anonymously under conditions prescribed by the Commissioner of the Customs Service. <Amended by Presidential Decree No. 19993, Apr. 5, 2007>

(4) With respect to any person who 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 the "collected amount") by the following payment rate may be paid as a reward: *Provided*, That any portion exceeding 100 million won shall not be paid. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

Collected Amount	Payment Rate
Not less than 20 million won but not more than 200 million won	5/100
Exceeding 200 million won but not more than 500 million won	10 million won + 3/100 of amount exceeding 200 million won
Exceeding 500 million won	19 million won + 2/100 of amount exceeding 500 million won

(5) The term "amount prescribed by Presidential Decree" in the proviso to [Article 324 \(2\) of the Act](#) means 20 million won. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

(6) The term "asset prescribed by Presidential Decree" in [Article 324 \(3\) 3 of the Act](#) means domestic real estate registered in the name of the defaulter himself. <Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007>

(7) Any reward with respect to a person who 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 customshouse 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 customshouse shall give any person deserving a reward for his/her meritorious service a fair opportunity to receive such reward.

(3) The 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 Confiscated Farm Commodities, etc.)**

(1) In the event that confiscated 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 "confiscated farm commodities"), the head of the relevant customshouse shall inform the Minister of Food, Agriculture, Forestry and Fisheries thereof under the conditions as prescribed by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(2) In the event that the Minister of Food, Agriculture, Forestry and Fisheries intends to acquire the 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 customshouse for transferring such farm commodities under the conditions 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>

(3) In the event that the Minister of Food, Agriculture, Forestry and Fisheries fails to file such request within the time limit referred to in paragraph (2), the head of the relevant customshouse may dispose of such farm commodities in accordance with [Article 326 \(1\) of the Act](#). <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(4) The cost of storing and managing confiscated farm commodities that are transferred to the Minister of Food, Agriculture, Forestry and Fisheries at his/her request under paragraph (2) shall be paid by such Minister under the conditions as prescribed by the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

*[This Article Newly Inserted by Presidential Decree No. 18333, Mar. 29, 2004]*

**Article 283 (Standards for Paying Custody Fees, etc. for Forfeited Goods, etc.)**

The term "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 this case, 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>

**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; and
5. Other necessary matters.

(2) When it is intended to dispose of goods under the Act, the matters of the following subparagraphs 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; and
6. Other necessary matters.

(3) The publication referred to in paragraphs (1) and (2) shall be made in the bulletin board of the relevant customshouse: *Provided*, That when the head of the relevant customshouse deems it necessary, such publication may be made in other place, the Official Gazette or newspapers.

#### **Article 285 (Public Deposit of Balance)**

In the event that the head of the relevant customshouse 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 matters of the following subparagraphs with the head of the competent customshouse under the conditions 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 case 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 the "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); and

5. Other necessary matters prescribed by the Commissioner of the Korea Customs Service.

(2) The term "grounds prescribed by Presidential Decree" in [Article 327 \(7\) of the Act](#) means the case falling under any of the following subparagraphs: <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

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) In the event that 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 dataprocessing equipment.

(5) In the event that 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.

*[This Article Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002]*

#### **Article 285-3 (Standards and Procedures for Designation of Business Operator Operating Comprehensive Customs Duties Information Network of Korea)**

(1) The standards for designation of a business operator operating the Comprehensive Customs Duties Information Network of Korea (hereinafter referred to as "business operator 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 institution under the Act on the Establishment, Operation and Fostering of GovernmentFunded Research Institutions;

2. It shall have experience in the construction and operation of the 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 be designated 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 latter. The same shall also apply when a designated business operator changes 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.

*[This Article Newly Inserted by Presidential Decree No. 21305, Feb. 4, 2009]*

#### **Article 285-4 (Standards for Designating E-Document Brokerage Operators)**

(1) The standards for designating e-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>

1. Any stock company with not less than one billion won in paid-in capital, which is incorporated under the [Commercial Act](#);

2. The same person, with the exception of the Government, any public corporation under [Article 5 of the Act on the Management of Public Institutions](#) and any nonprofit corporation, shall not hold a stake in excess of 15/100 of total voting stock and he/she shall also not be virtually in control;

3. Equipment and technical manpower needed to render the e-document brokerage service pursuant to [Article 327-3 \(1\) of the Act](#) shall be secured.

(2) The scope of the stake owned or controlled virtually by the same person referred to in 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>

*[This Article Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002]*

#### **Article 285-5 (Procedures for Designating E-Document Brokerage Operators)**

(1) Any person who intends to have him/her designated as an e-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 e-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>

*[This Article Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002]*

#### **Article 285-6 (Amount of Penalty Charge)**

(1) The amount of penalty charge imposed pursuant to [Article 327-2 \(5\)](#) or [327-3 \(4\) of the Act](#) shall be calculated by multiplying the amount under subparagraph 2 by the period under 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: Number of days of business suspension specified by [Article 327-2 \(4\)](#) or [327-3 \(3\) of the Act](#) (one month shall be deemed 30 days);

2. The amount of penalty charge per day: 300,000 won.

(2) The Commissioner of the Korea Customs Service may increase or decrease the amount of penalty charge within the scope of 1/4 of the amount of the penalty charge referred to in paragraph (1) in consideration of the business scale, the extent of violation and its frequency, etc. of the relevant business operator operating the Comprehensive Customs Duties Information Network of Korea and e-document brokerage operator. In such cases, if the penalty charge increases, the total amount of the relevant penalty charge shall not exceed 100 million won. <Amended by Presidential Decree No. 22086, Mar. 26, 2010>

*[This Article Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002]*

#### **Article 285-7 (Payment of Penalty Charge)**

(1) The Commissioner of the Korea Customs Service shall, when he/she intends to levy any penalty charge 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 charge, specifying the kind of his/her act of violation and the amount of the relevant penalty charge. <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 charge 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 charge within the fixed period due to a natural disaster or unavoidable grounds, such penalty charge shall be paid within seven days from the date on which such grounds are terminated.

(3) Any collecting agency that receives the penalty charge 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 charge 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 charge shall not be paid in installments.

*[This Article Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002]*

#### **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)**

Applications and other forms under the Act and this Decree shall be prescribed 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 every customhouse.

(2) The Commissioner of the Korea Customs Service shall delegate his/her authority falling under each of the following subparagraphs 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>

1. The decision on the dutiable exchange rate provided for in [Article 18 of the Act](#);
2. The decision on the amount that is added or deducted pursuant to [Article 30 of the Act](#);
3. The decision on the amount provided for in [Article 33 \(1\) 1 and 2 of the Act](#);
4. The prior examination of dutiable prices provided by [Article 37 of the Act](#);
5. The prior examination of the tariff classification pursuant to [Article 86 of the Act](#);
6. The decision on the exchange rate provided for in [Article 246 \(5\)](#).

(3) The Commissioner of the Korea Customs Service may delegate his/her authority on the examination of certified excellent enterprises in the safety management of export and import under [Article 255-2 \(2\) of the Act](#) to the head of a customhouse or the head of the Customs Valuation and Classification Institute pursuant to [Article 329 \(1\) of the Act](#). <Newly Inserted by Presidential Decree No. 21305, Feb. 4, 2009>

(4) Deleted. <by Presidential Decree No. 19993, Apr. 5, 2007>

(5) The head of every customhouse shall entrust his/her authority on the notice (excluding the notice in the self-managed bonded area) under [Article 209 \(1\) of the Act](#) to the operator of every bonded area or every cargo manager in accordance with [Article 329 \(3\) of the Act](#).

(6) The head of every customhouse 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 every bonded area or every cargo manager in accordance with [Article 329 \(3\) of the Act](#).

(7) The head of every customhouse shall entrust his/her authority on registration of licensed managers of bonded goods under [Article 165 \(2\) of the Act](#) and on registration of the operators of bonded transportation business under [Article 222 \(1\) 1 of the Act](#) to the head of a corporate judicial person designated and publicly announced by the Commissioner of the Korea Customs Service, among corporate judicial persons, 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 in relation to reports of trademark right, copyright, etc. under [Article 235 \(2\) of the Act](#) (limited to the receipt of the written report 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 associations 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>*

(9) Matters concerning the direction and supervision of the person who is entrusted with the authority under paragraphs (5) through (8) 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>*

## **ADDENDA**

### **Article 1 (Enforcement Date)**

This Decree shall enter into force on January 1, 2001.

### **Article 2 (Repeal of Other Acts and Subordinate 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 declaration document first filed after the enforcement of this Decree.

### **Article 4 (Application Example on Review Period)**

The amended provisions of [Articles 70 \(2\)](#) and [84 \(2\)](#) shall apply beginning with the review request first filed after the enforcement of this Decree.



#### **Article 5 (General Transitional Measures)**

Any disposition taken, any procedures followed and other act performed under the previous provisions at the time that this Decree enters into force shall be deemed taken, followed and performed 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 the open port designated pursuant to the amended provisions of [Article 155](#).

#### **Article 7 Omitted.**

#### **Article 8 (Relations with Other Acts and Subordinate Statutes)**

Where other Acts and subordinate statutes quote the previous provisions of the [Enforcement Decree of the Customs Act](#) or any provisions thereof at the time that this Decree enters into force, this Decree or its corresponding provisions shall, if any, be deemed to be quoted, in stead.

#### **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 (Application Example)**

(1) The amended provisions of [Article 3](#) (1) shall apply, starting 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, starting with the portion of 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, starting 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, starting 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, starting 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, starting with the portion of an 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, starting with the portion of 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, starting 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, starting with the reward that is paid for the first time after the enforcement of this Decree.

### **Article 3 (Relations with Other Acts and Subordinate Statutes)**

Where other Acts and subordinate 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) (Application Example concerning Calculation Day to Extinctive Prescription of Authority to Collect Customs Duties) The amended provisions of Article 7 (1) 2 shall apply, starting with the portion of an amended duty return that is filed first 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) (Application Examples Regarding Additional Duty) The amended provisions of [Article 39](#)  
(1) 1 shall begin to apply starting with the portion of amended duty return 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 Application Example) This Decree shall apply, starting with the portion of any import declaration that is filed first after the enforcement of this Decree.

(3) (Application Example concerning Asking for Approval of Work in Place other than Bonded Factory) The amended provisions of [Article 203](#) (1) 1 shall apply, starting with the portion of 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) (Application Example concerning Prior Confirmation of Country of Origin, etc.) The amended provisions of [Article 236-2](#) shall apply, starting with the portion of 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) (Application Example concerning Additional Duty) The amended provisions of [Article 39](#) (1) 2 shall apply, starting with the portion of 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) (Application Example concerning Minimum Amount of Collectable Duty) The amended provisions of [Article 37](#) (1) shall apply starting 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) (Application Example concerning 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) (Application Example concerning Declaration of Provisional Dutiable Value) The amended provisions of the latter part of [Article 16](#) (4) shall also apply to any provisional dutiable value for which declaration period for fixed dutiable value under the previous Article 16 (3) has not expired or declaration period for fixed dutiable value extended in accordance with the main sentence of [Article 16](#) (4) before the enforcement of this Decree.

(4) (Application Example concerning Report on Security Offering) The amended provisions of [Article 131](#) (2) shall apply starting with any portion declared first for import after the enforcement of this Decree.

(5) (Application Example concerning Security Offering) The amended provisions of subparagraph 5 of [Article 252](#) shall apply starting 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 concerning Commencement of Investigation on Dumping, Actual Damages, etc.)**

The amended provisions of [Article 60](#) (2) shall initially apply to goods on which the imposition of anti-dumping duties has been requested after this Decree enters into force.

**Article 3 (Applicability concerning Measures Following Results of Review)**

The amended provisions of [Article 70](#) (8) and (11) shall initially apply to the imposition of a new anti-dumping duty or to any person who fulfills such promises 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 imposed 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 Imposition 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 Reexamination of Anti-Dumping Duties and Promise)**

The amended provisions of [Article 70](#) (2) and (11) shall apply beginning with the first reexamination 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 Charge)**

The amount of penalty charge imposed against the violations committed before this Decree enters into force shall be governed by the former 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.**

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