
ENFORCEMENT DECREE OF THE CUSTOMS ACT

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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

Presidential Decree No. 22816, Apr. 1, 2011

Presidential Decree No. 23127, Sep. 7, 2011

Presidential Decree No. 23488, Jan. 6, 2012

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Presidential Decree No. 23827, Jun. 5, 2012

Presidential Decree No. 23845, Jun. 7, 2012

CHAPTER I GENERAL PROVISIONS

SECTION 1 Term and Time Limit

Article 1 (Procedures and Method of Responding to Inquiries concerning Interpretation of the Customs Act)

(1) In response to any inquiry concerning an interpretation of the Customs Act (hereinafter referred to as the "Act"), the

Minister of Strategy and Finance and the Commissioner of the Korea Customs Service shall make a reply in accordance with the interpretation made in accordance with the standards for interpretation prescribed in Article 5 of the Act.

- (2) The Commissioner of the Korea Customs Service shall forward to the Minister of Strategy and Finance a copy of the reply sent as prescribed in paragraph (1) by the end of the month following the month in which the enforcement date of the relevant document falls: *Provided*, That this shall not apply where such reply is for a factual judgment or made in accordance with the existing interpretations.
- (3) Where the Commissioner of the Korea Customs Service deems an inquiry referred to in paragraph (1) falls under any subparagraph of Article 9-3 (1) of the Enforcement Decree of the Framework Act on National Taxes, he/she shall request the Minister of Strategy and Finance for his/her interpretation, stating his/her opinion.
- (4) If the Commissioner of the Korea Customs Service dissent from an interpretation made by Minister of Strategy and Finance pursuant to paragraph (3), he/she may request a reinterpretation, stating the reason therefore.
- (5) An inquiry concerning interpretations of the Act submitted to the Minister of Strategy and Finance shall be forwarded to the Commissioner of the Korea Customs Service and the relevant civil petitioner shall be informed of such fact: *Provided*, That the Minister of Strategy and Finance may directly reply thereto in any of the following cases and a copy of the reply shall be forwarded to the Commissioner of the Korea Customs Service in such cases:
 1. An inquiry that requires a deliberation by the Examination Committee on Established Rules for National Taxes provided in Article 18-2 of the Framework Act on National Taxes as such inquiry falls under any subparagraph of Article 9-3 (1) of the Enforcement Decree of the Framework Act on National Taxes;
 2. An inquiry on a matter that has been re-inquired concerning an interpretation of the Act made by the Commissioner of the Korea Customs Service, accompanied by the reply from the Commissioner (excluding matters related to a factual judgment);
 3. Where an interpretation by the Minister of Strategy and Finance is required following a new enactment or amendment of the Act.
- (6) If the Commissioner of the Korea Customs Service has a question about the interpretation of any treaty on customs duties entered into by the Republic of Korea, he/she shall request the Minister of Strategy and Finance for his/her interpretation thereof, stating his/her opinion. In such cases, the Minister of Strategy and Finance may inquire such interpretation of the relevant international organization.
- (7) Except as otherwise prescribed in paragraphs (1) through (6), matters necessary for responding to inquiries concerning interpretations of the Act shall be prescribed by Ordinance of the Ministry of Strategy and Finance.

[This Article Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012]

Article 1-2 (Calculation of Time Limit)

- (1) "Day prescribed by Presidential Decree" in Article 8 (3) of the Act means a day determined by the Commissioner of the Korea Customs Service on which it is deemed impractical to pay customs duties due to the closing of financial institutions (limited to the national treasury agencies of the Bank of Korea and

financial institutions which are national treasury receipt agencies; hereinafter the same shall apply) or postal service offices or on other inevitable grounds. <Amended by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 23602, Feb. 2, 2012>

- (2) Where a declaration, an application, approval, permission, acceptance, delivery, notice, notification, payment, etc. under the provisions of the Act cannot be made by the deadline 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) or on other grounds prescribed by the Commissioner of the Korea Customs Service, the day following the day on which the breakdown of the relevant Comprehensive Customs Duties Information Network of Korea or electronic data-processing 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 1-3 (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 pass from 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 deemed necessary, request the relevant customs duty payer to offer the security provided for in Article 24 of the Act.

(4) Where 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 the 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 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 closure, a serious crisis in business management, bankruptcy adjudication, corporation dissolution, etc.

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

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

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

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

(1) "Other grounds prescribed by Presidential Decree" in Article 10 of the Act means any of the following cases:

<Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where property is severely damaged by war, fire, disaster or robbery;
2. Where a considerable operating loss is incurred;
3. Where the business is in a serious crisis;
4. Where the head of the relevant customhouse recognizes the existence of a cause corresponding to the provisions 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 stating the following matters 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;
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 the time limit for his/ her duty payment:

1. When he/she fails to pay customs duties within a fixed time limit;
2. When he/she deems it no longer necessary to extend his/her duty payment time limit after the value of his/her property has risen and circumstances surrounding him/her have changed;
3. When the collection of the total amount of his/her customs duties is deemed difficult due to the adjudication of bankruptcy against him/her, 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) "Period prescribed by Presidential Decree" in Article 12 of the Act means a period according to the following classifications: *<Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*

1. 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 under Article 237 or other document substituting such contracts;
 - (d) Data necessary to decide on prices of imported 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) Return declaration completion certificate;

(c) Data necessary to decide on prices of exported goods;

(d) Contracts related to export transactions or returning transaction or other documents substituting such contracts;

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

(a) Data pertaining to the shipment of bonded cargoes;

(b) Data pertaining to cargo manifesto;

(c) Data pertaining to bonded transportation.

(2) The documents referred to in paragraph (1) may be retained 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)

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

1. Invoice;

2. The bill of lading and the airway bill.

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 cases 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; Presidential Decree No. 23602, Feb. 2, 2012>*

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

Article 7 (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; Presidential Decree No. 23602, Feb. 2, 2012>*

1. With respect to customs duties paid by self-return under Article 38 of the Act, the day following the day on which 15 days elapse from the day an import declaration is accepted: Provided, That in the case of the monthly payment referred to in Article 1-3, the day following the day on which the payment time limit expires;
 - 1-2. With respect to customs duties paid in accordance with Article 38-2 (4) of the Act, the day after the day following the day on which an application is filed for supplementing or correcting the deficient amount of customs duties;
 2. With respect to customs duties paid under Article 38-3 (1) of the Act, the day after the day following the day on which an amended duty return is filed;
 3. With respect to customs duties levied by a duty imposition notice under Article 39 of the Act, the day following the day on which 15 days elapse from the day a duty payment notice is served;
 4. With respect to customs duties paid under Article 253 (3) of the Act, the day following the day on which 15 days elapse from the day an import declaration is filed;
 5. With respect to customs duties levied by a duty payment notice under other Acts and subordinate statutes, the day following the day on which the payment deadline for duty expires, if such payment deadline is set.
- (2) The day on which the right to request a refund of customs duties may be exercised under Article 22 (2) of the Act shall be each of the following days: *<Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 23602, Feb. 2, 2012>*
1. Where customs duties are refunded upon an application for reassessment under Article 38-3 (4) 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 erroneously 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 intends to get customs duties refunded in accordance with Article 199-2 of the Act and Article 216-5 (2) of this Decree, the day 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 customhouse.
- (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 measures 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 where the amount of such customs duties is not determined, the Commissioner of the Korea Customs Service shall determine such amount.

(9) In cases falling under each of the following subparagraphs, the head of the relevant 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;
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) 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;
2. The calculation of a dutiable value.

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

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

- (3) 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 customhouse.
- (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 where the head of the relevant customhouse 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;
 4. Other materials necessary for verifying contents of the returned dutiable value.

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

- (1) "Cases prescribed by Presidential Decree" in the former part of Article 28 (1) of the Act means any of the following cases: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*
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;
 3. The head of the relevant customhouse 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 customhouse, stating the following matters, along with documents under each subparagraph of Article 15 (5): *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*

1. Matters falling under each subparagraph of Article 15 (1);
2. Details of transaction;
3. Reasons for the impossibility of determining a dutiable value;
4. A provisional dutiable value and a method for determination thereof;
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 final dutiable value (hereafter in this Article referred to as "final dutiable value") within a period fixed by the head of the relevant customhouse up to two years taking into account the content, etc. of the transaction contract between the buyer and the seller. *<Amended by Presidential Decree No. 19993, Apr. 5, 2007>*

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

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

1. The number of a provisional dutiable value return, the number of an import declaration and the date of return;

2. The name of goods and the date on which an import declaration is accepted;

3. The difference between the provisional dutiable value and the final dutiable value.

(6) Articles 33, 34 (3) through (5) and 50 through 55 shall apply *mutatis mutandis* where the difference between the amount of customs duties paid based on a provisional dutiable value return and that of customs duties 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; Presidential Decree No. 23602, Feb. 2, 2012>

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

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

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

1. The trademarks and trade names of imported goods;

2. Matters on business secrets of each importer;

3. Other matters likely to substantially infringe on each importer's justifiable interests if disclosed.

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

1. They shall fall under the item code specified in the Harmonized System of Korea under Article 98;

2. There shall be at least two importers of the relevant imported goods.

[This Article Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011]

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

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

1. Goods imported free of charge;

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

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

- (1) The purchase commissions under the proviso to Article 30 (1) 1 of the Act (hereinafter referred to "purchase commissions") shall be the amount payable by the buyer to his/her purchasing agent as consideration for services provided by the purchasing agent for the buyer abroad in connection with the purchase of the relevant imported goods.
- (2) Where the costs other than the purchase commissions are included in the costs paid by a buyer to his/her purchasing agent, the relevant amount shall be deemed the purchase commission only in cases where the amount equivalent to the purchase commissions among the costs paid can be separately calculated.
- (3) Where it is deemed necessary, the head of a customhouse may request a buyer to submit the data concerning the purchase commissions.

[This Article Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011]

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

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

1. Materials, components, parts and similar goods combined with imported goods;
2. Tools, molds, dies and other similar goods used for the production of imported goods, which are prescribed by Ordinance of the Ministry of Strategy and Finance;

3. Goods used in the production process of imported goods;
4. Technology, plan, device, technical art and design for the production of imported goods: Provided, That those developed in Korea shall be excluded herefrom.

Article 19 (Calculation of Royalty of Use of Right)

- (1) "Other rights similar thereto" in Article 30 (1) 4 of the Act means the following:
 1. Legal rights such as copyright;
 2. Production method and sale method as well as technical and operational information, etc. useful for business activities, which are not deemed legal rights, but economically valuable and kept secret with considerable efforts (hereinafter referred to as "business secret").
- (2) The price for using the rights of patent, utility model, design, trade- mark and similar rights (excluding the price for any right to reproduce any specific device or original idea on other goods in Korea using imported goods in which such device or original idea is embodied; hereinafter referred to as "royalty"), which is to be added to the price paid or to be paid by the buyer of the relevant goods under Article 30 (1) of the Act shall be the amount which is paid directly or indirectly by the buyer according to the terms and conditions of transaction in relation to the relevant goods. *<Amended by Presidential Decree No. 18903, Jun. 30, 2005>*
- (3) In applying paragraph (2), the royalty shall be deemed related to the relevant goods in cases falling under each of the following subparagraphs: *<Amended by Presidential Decree No. 18903, Jun. 30, 2005>*
 1. If the royalty is paid for the right of patent, imported goods shall fall under each of the following 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;
 - (d) Facilities and equipment, machinery and apparatus (including parts, etc. with major characteristics) designed suitable for the application of the patented method;
 2. If the royalty is paid for the right of design, where the imported goods are the goods which express the

relevant design or parts or components of goods to be produced in Korea using the relevant right of design and express the relevant design in whole or in part;

3. If the royalty is paid for the right of trademark, where the trademark is attached to the imported goods, or the trademark is attached to the imported goods after the slight processing such as diluting, mixing, classifying, simply assembling, repacking, etc.;
 4. If the royalty is paid for a copyright, where the imported goods contain lyrics, melodies, pictures and computer software, etc.;
 5. If the royalty is paid for the right of utility model or business secret, where such right of utility model or such business secret has a relationship corresponding to that of subparagraph 1 with the imported goods;
 6. If the royalty is paid for other rights, where the relevant right has a relationship corresponding to the provisions governing the right most similar to the relevant right in light of right nature, from among the provisions of subparagraphs 1 through 5, with the imported goods.
- (4) In applying paragraph (2), royalties paid with respect to computer software shall be deemed unrelated to magnetic tapes, magnetic disks, CD-ROMs and articles similar thereto (limited to those included in codes(hereinafter referred to as "HS code") 8523 on the Schedules of Tariff Rates of attached Table of the Act) on which computer software is recorded. *<Amended by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*
- (5) In applying the provisions of paragraph (2), the royalty shall be deemed paid according to the conditions of transaction of the relevant goods in cases falling under each of the following subparagraphs:
1. Where a buyer pays the royalty to a seller to purchase imported goods;
 2. Where a buyer pays the royalty to a person other than a seller to purchase imported goods according to an agreement between the buyer and the seller;
 3. Where a buyer, upon permission of a person other than a seller for the use of a patent right, etc., allows such seller to use such patent right and pays the royalty to a person who is not the seller to purchase imported goods.

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

Article 20 (Determination of Freight, etc.)

- (1) The freight and insurance bill as prescribed in Article 30 (1) 6 of the Act shall be calculated according to the statements of freight, insurance bill issued by the relevant businessman or documents in lieu thereof.
- (2) Where it is impossible to calculate the freight and insurance bill under paragraph (1), such freight and insurance bill shall be calculated according to that prescribed by the Commissioner of the Korea Customs Service taking into account the transportation distance and method, etc.
- (3) Where goods prescribed by the Commissioner of the Korea Customs Service are transported by aircraft, the freight and insurance bill thereof shall be calculated assuming that such goods are transported by other general transportation method than aircraft.
- (4) Where the freight of goods falling under each of the following subparagraphs is considerably different from the normal freight, the Commissioner of the Korea Customs Service may make the normal freight prescribed by him/her as the freight of such goods, taking into account the transportation distance and methods, etc.:
1. Goods transported by the ship or aircraft of an importer;
 2. Goods transported according to a maritime charter containing a special agreement on the freight and loading quantity (including cases where the actual loading quantity falls short of the specially agreed quantity);
 3. Other goods transported under special conditions.
- (5) The amount described in the main sentence of Article 30 (1) 6 of the Act means the cost borne by an importer to cover the arrival of a vessel loaded with the relevant goods at the port of entry and the unloading work of such goods.
- (6) "Other indirect payments" in the main sentence other than each subparagraph of Article 30 (2) of the Act means payments falling under each of the following subparagraphs: *<Amended by Presidential Decree No.*

22816, Apr. 1, 2011>

1. Where the price for imported goods, upon a seller's request, is paid, in whole or in part, to a third person, the amount of such payment;
 2. Where a buyer, who acts on behalf of a seller or a third person in pledging a maintenance bond under the transaction conditions of the relevant imported goods, gets the amount accruing therefrom discounted or pays separately costs involved in the maintenance bond, in whole or in part, the paid amount;
 3. Cost involved in training or education conducted abroad, which is paid by a buyer under transaction conditions of imported goods;
 4. Where a buyer pays financial expenses, etc. which are to be borne by a seller, the amount paid.
- (7) If it is intended to deduct the interest accruing from the deferred payment of imported goods from the total amount which a buyer has paid or is to pay in accordance with Article 30 (2) 4 of the Act, the relevant interest shall meet the following requirements:
1. The interest shall be separately counted from the amount paid or payable as a price for imported goods;
 2. The interest shall be confirmed in a written contract;
 3. The relevant goods shall be sold at a 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 country where loans are extended.

Article 21 (Scope of Limit on Disposal or Use)

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

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

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

- (1) "Cases prescribed by Presidential Decree" in the proviso to Article 30 (3) 1 of the Act means the existence of

the restrictions falling under any of the following subparagraphs: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. The restriction imposed or required by a disposition taken in accordance with Acts and subordinate statutes of Korea;
 2. The restriction on areas where imported goods are marketable;
 3. The restriction which the head of the relevant customhouse deems not to practically affect the price of imported goods.
- (2) Where the determination of the 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, cases falling under each of the following subparagraphs shall be deemed included therein:
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;
 3. Where the price of the relevant goods is determined on condition that a seller receives a certain quantity of finished goods in return for supplying semi-finished goods to a buyer.

Article 23 (Scope of Special Relationship, etc.)

- (1) "Special relationship ---<omitted>--- as prescribed by Presidential Decree" in Article 30 (3) 4 of the Act means cases falling under any of the following subparagraphs: *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>*
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;
 8. Where the buyer and the seller are in the relative relationship falling under any of the provisions of subparagraphs 1 through 8 of Article 20 of the Enforcement Decree of the Framework Act on National Taxes.
- (2) Where 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 general practice of determining the arm's length prices in the industrial sector concerned;
 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;
 - (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 apply the provisions 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

Article 24 (Scope of Disapproval of Dutiable Value)

(1) "Cases prescribed by Presidential Decree" in Article 30 (4) of the Act means cases falling under any of the following subparagraphs: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where any dutiable value declared 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 declared 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;
5. Where cases exist that correspond to cases of subparagraphs 1 through 4 and are 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, file such written request, giving reasons therefor and the time required for furnishing such data.

(3) "Where it is difficult to accept the value declared by him/her as the dutiable value on the grounds prescribed by Presidential Decree" in Article 30 (5) 3 of the Act means a case falling under any one of the following subparagraphs: *<Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*

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

being unable to verify the factual relations with respect to data submitted by the person liable for duty payment.

Article 25 (Scope of Goods of Same Kind 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 aspects, performs the same function as that of the latter and is similar to the latter in terms of characteristics and components to the point that the former can be used as an alternative of the latter.

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

(1) "Unit price of goods sold in Korea" in Article 33 (1) 1 of the Act means the unit price of goods sold in the first transaction effected after importation: Provided, That the price fixed in any of the following cases shall not be deemed the unit price of goods sold in Korea: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where the first buyer is in a special relationship with a seller or an importer as prescribed in Article 23 (1);
2. Where the first buyer supplies such goods and services as prescribed in each subparagraph of Article 18 without compensation or at a reduced price to a seller or an importer in connection with the production and transaction of imported goods.

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

- (3) "Goods of the same kind 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) Profits and general expenses prescribed in Article 33 (1) 2 of the Act shall be treated as totals and calculated based on an accounting report compiled according to the generally recognized accounting principles and in accordance with the following classifications: *<Amended by Presidential Decree No. 23602, Feb. 2, 2012>*
1. Where the rate of profits and general expenses calculated based on an accounting report compiled by a person liable for duty payment does not exceed 110/100 of the rate of profits and general expenses calculated in accordance with paragraph (5) or (7) (hereafter referred to as "rate of the same kind and quality" in this Article): Profits and general expenses submitted by the person liable for duty payment;
 2. In cases other than those falling under subparagraph 1: Profits and general expenses calculated by applying the rate of the same kind and quality.
- (5) The head of a customhouse shall select the imported goods of the same kind and quality taking the characteristics, trade volume, etc. of the relevant imported goods into consideration, as prescribed by the Commissioner of the Korea Customs Service, and calculate the rate of the same kind and quality based on the average value of the profits and general expenses added when they are sold in the Republic of Korea. *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*
- (6) The head of a customhouse shall notify, in writing, a person liable for duty payment of the rate of the same kind and quality and the calculation basis thereof. *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*
- (7) If a person liable for duty payment deems the rate of the same kind and quality calculated by the head of the relevant customhouse is unreasonable, he/she may file an objection to the Commissioner of the Korea Customs Service through the head of the customhouse where his/her imported goods have passed or will pass customs clearance. In such cases, the Commissioner of the Korea Customs Service may recalculate the rate of the same kind and quality after examining the data submitted by the relevant person liable for duty payment and those of relevant industries or organizations. *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*

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

Expenses incurred in assembling and processing goods and the price thereof prescribed in subparagraph 1

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

Article 29 (Determination of Dutiable Value Based on Reasonable Standards)

(1) The determination of any dutiable value under Article 35 of the Act shall be made preferentially according to the following methods:

1. The method of flexibly interpreting and applying the requirement prescribed in Article 31 (1) 1 of the Act in the application of Article 31 or 32 of the Act;
2. The method of flexibly interpreting and applying the requirement that goods be sold in the same condition as that of the imported goods in the application of Article 33 of the Act;
3. The method of determining a 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;
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 following prices:

1. Domestic sale price of goods produced in Korea;
2. Price determined according to the criteria that the highest price among selectable prices ought to be a 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;
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 crew, postal materials, consignments and unaccompanied goods;
3. Leased imported goods;
4. Used goods;
5. Goods deemed foreign goods under the proviso to Article 188 of the Act;
6. Illegal goods;
7. Other goods deemed by the Commissioner of the Korea Customs Service that they are feared to cause confusion in determining a 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 expedite 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 re-quest 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 will pass and the details of the application, along with the following documents: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*
 1. A basic contract for the trading relation (investment contract, agency contract, technical service contract and technology introduction contract, etc.);

2. A business plan related to the imported goods;
 3. A contract for the supply of imported goods;
 4. Data used as a basis for determining the price of imported goods;
 5. Other reference materials necessary for determining a 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, request an applicant to supplement such application and document within a certain fixed period. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*
- (3) "Period prescribed by Presidential Decree" referred to in Article 37 (2) of the Act means the periods according to the following classifications. In such cases, if the Commissioner of the Korea Customs Service requests to supplement a submitted application or document, such periods shall not be counted: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*
1. Cases falling under Article 37 (1) 1 and 2: One month;
 2. Cases falling under Article 37 (1) 3: One year.
- (4) "Requirements prescribed by Presidential Decree" referred to in Article 37 (3) of the Act means as follows: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*
1. An 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 details of the dutiable value return;
 3. Acts and subordinate statutes and transaction relations, etc., which constitute the basis of prior examinations, remain the same;
 4. A dutiable value return shall be declared within 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>*

Article 31-2 (Scope of Information to be Provided for Imposition, etc. of Customs Duties)

"Any information or data prescribed by Presidential Decree" referred to in Article 37-2 of the Act means any of the

following:

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

[This Article Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012]

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 customhouse an import declaration in accordance with Article 246, which includes the following matters in addition to matters prescribed in each subparagraph of Article 246:
 1. The tariff classification and the tariff rate on the Schedules of Tariff Rates, the amount of customs duties payable by every tariff classification and total amount of customs duties;
 2. Where customs duties are reduced or exempted in accordance with the Act or other tariff-related Acts and conventions, the amount of reduced or exempted customs duties and legal grounds thereof;
 3. Whether the person falls under the special relation described in Article 23 (1);
 4. Other matters used as a reference for determining a 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 criteria for ways, etc. to examine the amount of customs duties.

Article 32-2 (Self-Regulating Examination)

- (1) Where 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 such cases, 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 file 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 includes the following matters. 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 reporting, file an application for supplementing or correcting the amount, file 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);
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 where 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 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 (Correction of Amount of Customs Duties)

(1) The head of the relevant customhouse shall, when he/she notifies the correction of the amount of customs duties under the former part of Article 38-2 (2) of the Act, serve a 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 correction thereof;

3. The tariff classification, duty base, tariff rate and the amount of customs duties of the relevant goods after making the correction thereof;

4. Grounds for correction and the term of correction;

5. Other reference matters.

(2) Any person who intends to 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 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 correction of the amount of his/her customs duties and then correct the tariff classification, the duty base, the tariff rate, the amount of customs duties and other related matters that are to be stated in the import declaration and submit it to the head of the relevant customhouse after signing his/her name or stamp a seal on the corrections.

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

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

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

1. The name or trade name and address of a person liable for payment;

2. The amount intended to be exempted;

3. Reasonable grounds.

(6) The head of a customhouse shall, upon receipt of the application under paragraph (5), provide written notice

as to 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) 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 10 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; Presidential Decree No. 23602, Feb. 2, 2012>*

(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 stating the following matters 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 stating the following matters 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. Grounds for such correction;
5. Other reference matters.

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

1. Where any transaction, act, etc. which is the basis of calculating the duty base and the amount of duty in the first declaration or rectification becomes final and conclusive as different by a ruling (including a settlement or other act as effective as the ruling) of the relevant lawsuit;
2. Where it has been impossible to calculate the duty base and the amount of duty at the time of filing the first declaration or rectification due to the seize of accounting books or evidentiary documents or on any other unavoidable ground but such relevant ground ceases thereafter.

- (3) When the head of the relevant customhouse intends to correct the amount of customs duties in accordance with Article 38-3 (4) of the Act, he/she shall issue a written correction notice stating the following matters to a person liable for duty payment: *<Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 23602, Feb. 2, 2012>*
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. Grounds for such correction;
 6. Other reference matters.
- (4) Where 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.
- (5) When the head of the relevant customhouse finds that the amount of customs duties is excess or deficient after making a correction according to paragraph (2), he/she shall re-correct the corrected amount of customs duties.

Article 35 (Rectification due to Adjustment of Dutiable Value of Imported Goods)

- (1) Any person who intends to file an application for rectification under Article 38-4 (1) of the Act shall submit to the head of the relevant customhouse such application for rectification stating each of the following matters:
1. Import declaration number, name, standard, and quantity of the relevant goods;
 2. Tariff classification, duty base, duty rate, and the amount of customs duties of the relevant goods before the relevant rectification is made;
 3. Tariff classification, duty base, duty rate, and the amount of customs duties of the relevant goods after the relevant rectification is made;
 4. Details of adjustment of the price of the relevant imported goods, the method of determining the price, and data on which calculation of price is based;
 5. Grounds for rectification;

6. Other necessary matters.

- (2) The head of a customhouse in receipt an application for rectification pursuant to paragraph (1) shall file a report thereon to the Commissioner of the Korea Customs Service, accompanied by the fact that the duty return which is the object of the application for rectification has been filed and his/her opinion on such application for rectification. In such cases, if any other application for rectification containing the same details filed with the head of another customhouse, the Commissioner of the Korea Customs Service may determine standards for the disposition of rectification or designate the head of a customhouse who shall conduct a consolidated examination of such applications for rectification.
- (3) In any of the following cases, the head of a customhouse may rectify the amount of duty pursuant to Article 38-4 (2) of the Act:
1. Where matters adjusted in accordance with the disposition of determination or rectification made by the commissioner of a regional tax office or the head of a tax office is acknowledged as the dutiable value under Article 30 (1) of the Act, such as the paid price of the imported goods and a royalty of use of right;
 2. Where the commissioner of a regional tax office or the head of a tax office makes an adjustment based on the method of calculating the arm's length price under Article 5 of the Adjustment of International Taxes Act and the method of adjustment, such as comparable transactions and application of normal profits, and the calculation basis are deemed in compliance with Articles 31 through 35 of the Act.
- (4) Where the amount of duty is rectified under paragraph (3), Article 34 (3) through (5) shall apply *mutatis mutandis* to procedures for issuing a written correction notice, servicing of a duty payment notice, re-rectification of rectified matters, etc.

[This Article Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012]

Article 36 (Duty Payment Notice)

The head of the relevant customhouse shall, when he/she intends to collect customs duties in accordance with Article 39 (3), 47 (1) or 270 (5) (latter part) of the Act, deliver a duty payment notice stating the item of duty, the amount of customs duties and the place of payment, etc., to a person liable for duty payment: Provided, That where a customs officer who inspects goods receives customs duties thereon in accordance with Article 43 of the Act, the head of the relevant customhouse 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 customhouse 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;

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

Article 38 (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 herefrom.

Article 39 (Additional Duty)

- (1) "Interest rate prescribed by Presidential Decree" in the formula provided 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; Presidential Decree No. 22816, Apr. 1, 2011>*
- (2) "Where a duty declaration is filed based on a provisional dutiable value declaration and customs duties are paid according to such duty declaration and other cases prescribed by Presidential Decree" in the proviso to Article 42 (1) of the Act means any of the following cases: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 23602, Feb. 2, 2012>*
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 thereof;
 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 submitted by a person liable for duty payment is found to be different from the fact and thus the ground for additional collection of customs duties arises;

2-2. Where the results of a prior examination on a matter provided in Article 37 (1) 3 of the Act has been notified and an amended return is filed in relation to the amount of duty paid by self-return before the application of the relevant prior examination is filed in accordance with the method of determining the dutiable value notified within two months from the date of notification.

3. Where a deficiency is caused by the erroneous application of goods subject to the reduction or exemption of customs duties, 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) In cases falling under paragraph (2) 1, 2, 4 or 5 pursuant to the proviso to Article 42 (1) of the Act, additional duties provided in Article 42 (1) 1 and 2 of the Act shall not be imposed, and in cases falling under paragraph (2) 2-2 or 3, additional duties provided in Article 42 (1) 1 of the Act shall not be imposed. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

(4) "Means 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.

(5) 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 Chairperson of Customs Duties Arrearages Adjustment Committee)

- (1) The chairperson of each customs duties arrearages adjustment committee shall exercise overall control over his/her committee's affairs and represent his/her committee.
- (2) Where the chairperson of each customs duties arrearages adjustment committee is in unavoidable circumstances that make it unable for him/her to perform his/her duties, a member designated by the chairperson shall act on behalf of the chairperson in performing the duties.

Article 45 (Meetings of Customs Duties Arrearages Adjustment Committee)

- (1) The chairperson of each customs duties arrearages committee shall, 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 customhouse; 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/herself or his/her relatives.

Article 46 (Seeking Opinion)

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

Article 47 (Minute of Customs Duties Arrearages Adjustment Committee)

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

Article 48 (Notification of Resolved Matters)

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

Article 49 (Allowances)

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

Article 50 (Application for 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 customhouse 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 customhouse 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 customhouse shall keep a book and a supplementary book on the determination of customs duties overpaid by mistake and state necessary matters in such book.
- (3) The head of the relevant customhouse 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 customhouse 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 Chairperson of the Board of Audit and Inspection.

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

The head of the relevant customhouse 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 where 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 customhouse:

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

Article 54 (Procedures for Refund)

- (1) The head of the relevant customhouse shall, when he/she determines the amount of customs duties overpaid by mistake, send without 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 customhouse 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 customhouse to the refund payment account of the head of the relevant customhouse and then notify the head of the relevant customhouse 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 customhouse, and notify the head of the relevant customhouse 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) If he/she files an application as prescribed by Article 50, 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 apply to the head of the relevant customhouse for remitting his/her refund to any branch of the Bank of Korea or for transferring such refund to an account at a financial institution after opening such account and reporting thereon to the head of the relevant customhouse.
- (6) The head of the relevant customhouse 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 customhouse 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 customhouse 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 customhouse 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 customhouse, for which payment instructions are given, during the current fiscal year to the unpaid customhouse 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 customhouse refund carry-over account under paragraph (1) shall revert to the revenue of the fiscal year belonging to the day on which the above-referenced period expires.
- (3) Where any person entitled to get a refund of customs duties overpaid or erroneously paid fails to get the refund of such customs duties within one year from the day on which a refund notice is issued, he/she may request the head of the relevant customhouse to retake procedures for such refund and the head of the relevant customhouse shall investigate and confirm such fact and take measures necessary for making such refund.

Article 56 (Determination of Refund Surcharges, etc.)

- (1) When the head of the relevant customhouse appropriates or refunds customs duties under Article 46 of the Act or collects any over-refunded customs duties under Article 47 (1) of the Act, he/she shall determine a surcharge thereon under Article 47 (2) or 48 of the Act.
- (2) The interest rate on the surcharge referred to in paragraph (1) shall be the interest rate prescribed by Ordinance of the Ministry of Strategy and Finance by taking into account the average interest rate on time deposits 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; Presidential Decree No. 23602, Feb. 2, 2012>

CHAPTER III TARIFF RATES AND TARIFF CLASSIFICATION

SECTION 1 Common Provisions

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

- (1) The ministers of competent ministries or interested persons related to goods subject to the application of the provisional tariff rates in the attached Schedules of Tariff Rates of the Act (hereinafter referred to as "provisional tariff rates") may, when they deem it necessary to suspend the application of the provisional tariff rates, or raise or lower the provisional tariff rates under Article 50 (4) of the Act, request the Minister of Strategy and Finance to do so. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>
- (2) The ministers of competent ministries or interested persons shall, when they make a request as prescribed in paragraph (1), furnish data concerning the matters which are related to the relevant goods and fall under each of the following subparagraphs to the Minister of Strategy and Finance: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011>
 1. The HS code, name, standard, the purpose of use and alternative goods of the relevant goods;
 2. Raw materials used to manufacture the relevant goods, the explanatory statement about the manufacturing process of goods using the relevant goods as raw materials and the purpose of use of the related goods;
 3. Reasons for suspending the application of the provisional tariff rates and a period for suspended application thereof;
 4. Tariff rates to be modified, reasons therefor and the application period thereof;
 5. The monthly import price of the relevant goods by major exporting countries and import records thereof of

the current year;

6. The monthly factory price of the relevant goods by major domestic manufacturers and their shipment records out of factories of the current year;

7. Other reference matters.

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

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 where 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) Where 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) Where the relevant goods are imported from a country whose economy is controlled without any market

economy system, notwithstanding paragraphs (1) and (2), the price falling under each of the following subparagraphs shall be deemed the normal price: Provided, That if a country, prescribed by Ordinance of the Ministry of Strategy and Finance, is in transition to a market economy system, the ordinary transaction 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;
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. Where 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;
2. Where imported goods have never been resold to a buyer with no special relation or no compensation agreement or remain not resold as imported, the price calculated based on the reasonable standards prescribed by Ordinance of the Ministry of Strategy and Finance.

(5) The comparison of the normal price with the dumping price shall be made as much as possible at the same time and at the same transaction channel (any factory is ordinarily included in the transaction channel). In 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 here from; hereafter in this paragraph the same shall apply) which accounts for the whole or a considerable portion of the total domestic production of the goods imported at a price lower than the normal price and the goods of the same kind. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (3) "Persons interested in the domestic industry" in paragraph (1) means domestic producers belonging to the domestic industry that suffers material injury, etc., and any corporation and organization, both of which consist of such domestic producers and individuals for the purpose of speaking for their interests, all of

which is prescribed by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No.

20720, Feb. 29, 2008>

(4) Any person who intends to request an investigation under paragraph (1) shall furnish the data falling under each of the following subparagraphs to the Trade Committee. In 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 the fact of receiving such investigation application:

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

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

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

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

Article 60 (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 following matters within two months from the day on which such request is received: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 20720, Feb. 29, 2008>*

1. Goods subject to the investigation (where goods subject to the investigation are many in number, goods selected 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 (where suppliers subject to the investigation are many in number, suppliers selected as 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, dismiss such investigation application: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 20720, Feb. 29, 2008>*

1. Where a person who files a request for an investigation is not a person entitled to request the 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) When the Trade Committee determines to commence an investigation under paragraph (1), it shall notify the applicant for such investigation, the Government of the supplying country of the relevant goods, a supplier and other interested persons of matters concerning the determination of the investigation commencement, and 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 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 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;>*

(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 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 Articles 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 deemed necessary, recommend the following matters to the Minister of Strategy and Finance when it reports the results of the investigation required by paragraphs (2) and (5):

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

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 pledge 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 latter part of paragraph (2), refund anti-dumping duties paid and rescind security offered according to such provisional measure. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

Article 63 (Decision Whether to Exist Material Injury, etc.)

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

1. The import quantity of dumping goods (including whether the import of the relevant goods absolutely or

markedly increases in comparison with the domestic production or domestic consumption);

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

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

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

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

1. Where the dumping margin and the import quantity of dumping goods fall under the standards prescribed by Ordinance of the Ministry of Strategy and Finance;

2. Where the dumping goods are competitive with each other and with the domestic goods of the same kind.
- (4) The Trade Committee shall investigate factors other than the dumping, which inflict any damage on the domestic industry and shall not deem that any industrial damage, etc. caused by such factors has resulted from any dumping.

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

- (1) The Minister of Strategy and Finance or the Trade Committee may, when deemed 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) Where 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) Where any interested person asks for a perusal of the data other than the data requested to be handled confidentially from among the related evidential data submitted under Article 59 (4) and the data furnished or reported under paragraph (1) and Article 68, the Minister of Strategy and Finance or the Trade Committee shall comply with such request unless special reasons exist that make it impossible for him/her and it to do so. In 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 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) Where 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 under the proviso to paragraph (3) shall apply from the date the relevant investigation commences. *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>*
- (6) Articles 68 (1) through (3), (5) and (6) shall apply mutatis mutandis to the pledge of price adjustment and export suspension, etc. by the new supplier, the investigation of which has commenced pursuant to the proviso to paragraph (3). In such cases, the term "the results of a full-scale investigation under Article 61 (5)" in the former part of Article 68 (1) shall be deemed "the termination of the investigation under the proviso to Article 65 (3)". *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010>*
- (7) The base import price referred to in paragraphs (1) through (3) shall be determined within the limit of an amount obtained by adding the import-related cost to the normal price of a supplying country, which is adjusted in accordance with Article 58 (5).

Article 66 (Application of Provisional Measure)

- (1) Where it is confirmed as a result of a preliminary investigation under Article 61 (2) that adequate evidence presuming the fact of dumping and the fact of material injury, etc. caused thereby exists, the provisional measure as prescribed in Article 53 (1) of the Act may be applied after the day on which at least 60 days expire from the day on which the relevant investigation was launched.
- (2) The application period of the provisional measure as prescribed in Article 61 (3) shall be not more than four months: Provided, That such period may be extended up to six months if a supplier having a great influence in the trade of the relevant goods files a request to that effect.
- (3) Notwithstanding paragraph (2), the application period of the provisional measure may be extended 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) Where 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. Where the amount of anti-dumping duties is lower than that of the provisional anti-dumping duties, the amount of provisional anti-dumping duties, which is equivalent to a difference, shall be refunded.
- (2) Where security offered under Article 53 (1) of the Act falls under Article 69 (1), the amount of anti-dumping duties to be 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) Where the pledge described in Article 68 (1) is accepted after the existence of the fact of dumping the relevant goods and the fact of material injury, etc, caused thereby is confirmed as a result of a full-scale investigation described in Article 61 (5) and the investigated final dumping rate is equal or exceeds the rate of the provisional anti-dumping duties, a difference accruing from the two different rates shall not be collected. Where the rate of the former is lower than that of the latter, the amount of provisional anti-dumping duties, which is equivalent to a difference between them, shall be refunded.

Article 68 (Pledge of Price Adjustment and Export Suspension)

- (1) Where an exporter of any goods on which an investigation is launched to decide whether to levy anti-dumping duties thereon intends to propose the pledge as prescribed in Article 54 (1) of the Act or to request the continuation of an investigation into injury under the proviso to Article 54 (2) of the Act, he/she shall file a written request therefor with the Trade Committee before a final decision is made according to the results of a full-scale investigation under Article 61 (5). In this case, the Trade Committee shall serve without delay

original copies of documents submitted on the Minister of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

- (2) Where the pledge offered under paragraph (1) goes to the effect that the price in question is immediately adjusted and the dumping export in question is suspended within six months from the date of pledge, the Minister of Strategy and Finance may accept such pledge: Provided, That the same shall not apply to cases where it is deemed difficult to secure the fulfillment of such pledge, which is prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (3) The Minister of Strategy and Finance may, when deemed necessary, designate an exporter and propose that such exporter adjust the price of his/her export goods in accordance with Article 54 (1) of the Act. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (4) The Minister of Strategy and Finance shall not accept the pledge under paragraph (2) or propose the pledge under paragraph (3) before it is confirmed as a result of a preliminary investigation under Article 61 (2) that there is adequate evidence presuming the existence of the fact of dumping and the fact of material injury, etc. caused thereby. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (5) Where any exporter fails to fulfill his/her pledge accepted under Article 54 (2) of the Act, the Minister of Strategy and Finance may take prompt 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) Where the Minister of Strategy and Finance confirms as a result of the continued investigation under the proviso to Article 54 (2) of the Act that the fact of any material injury, etc. or any dumping margin is nonexistent, the effect of the relevant pledge shall be deemed extinguished: Provided, That if it is judged that the nonexistence of material injury, etc. and the dumping margin have been caused by the pledge, the Minister of Strategy and Finance may keep the pledge fulfilled for a properly fixed period and, if the exporter refuses to fulfill his/her pledge, the Minister of Strategy and Finance may take prompt measures to prevent the dumping, including taking the provisional measures, on the basis of the best available information.

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. Where the existence of material injury, etc. is finally confirmed, or it is finally confirmed that such material injury, etc. is feared to occur, but it is finally confirmed that a lack of the provisional measure causes the existence of such material injury, etc., goods imported during a period in which the provisional measures is applied;
 2. Where it is necessary to 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. Where the material injury, etc. caused by the import of goods subject to the application of the provisional measure in violation of the pledge described in Article 54 (1) of the Act 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 pledge is broken shall be excluded herefrom;
 4. Goods imported during a period fixed by the Minister of Strategy and Finance in accordance with conventions.
- (2) Any person interested in the domestic industry prescribed in Article 59 may request the 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 Pledge)

- (1) The Minister of Strategy and Finance shall, if 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 pledge 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 pledge is fulfilled, circumstantial changes fully deemed necessary to modify the contents thereof take place;
 2. Where dumping, or any damage to the domestic industry continues, or is feared to re-occur due to the expiration of anti-dumping duties and the pledge;
 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 anti-dumping duties are imposed or the pledge 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 pledge 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 pledge 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 pledge (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 pledge. In such cases, such investigation shall be limited to the part of any anti-dumping duties and any pledge, which forms the grounds for such review. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

(5) The Trade Committee shall terminate the investigation referred to in paragraph (4) within six months from the day on which such investigation is launched and report the results thereof to the Minister of Strategy and Finance: Provided, That the Trade Committee may, when necessary to extend the investigation period or any interested person requests the extension thereof, citing 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) Where 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) Where the Minister of Strategy and Finance imposes new anti-dumping duties or enforces such pledge 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 pledge is lost or feared to be lost, request any exporter who is committed to the pledge to modify such pledge and, if the exporter refuses to modify the pledge, 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 pledge of price adjustment, export suspension, etc. In such cases, The term "the results of a full-scale investigation under Article 61 (5)" in the former part of Article 68 (1) shall be deemed "the termination of the investigation under Article 70 (5)," and The term "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 written notice thereon 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 pledge 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 dismissed under Article 60 (2) or an investigation is terminated under Article 61 (4);
 2. When a preliminary decision is made according to the findings of a preliminary investigation under Article 61 (2);
 3. When a final decision is made according to the findings 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 pledge 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 here from. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (2) "Nature of specification" in paragraph (1) means cases where subsidies, etc. are paid to specific companies or industries or a group of specific companies or a group of specific industries and a specific distinction

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

- (3) The amount of subsidies, etc. shall be calculated based on financial benefits that beneficiaries actually receive as prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

Article 73 (Request for 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 excluded herefrom; 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) "Persons interested in the domestic industry" in paragraph (1) means domestic producers or individuals belonging to the domestic industry that suffers material injury, etc., any corporation and organization, both of which are established by such domestic producers and individuals for the purpose of speaking for their interests. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (4) Any person interested in the domestic industry that suffers material injury, etc. due to the import of goods for

which subsidies, etc. are paid shall, when he/she intends to file an application for an investigation thereof, file an application stating the following matters, appended by related evidential data, with the Trade Committee: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. The name, standard, characteristics, the purpose of use, producer And production quantity of the relevant goods;
2. Exporting country, exporter, export performance, export potential of the relevant goods, and importer, import performance and import potential of the relevant goods in Korea;
3. Factory price and market price of the relevant goods in an exporting country and the export price of the relevant goods to Korea and third countries;
4. The name, standard, characteristics, the purpose of use, producer, production quantity, factory price, market price and cost accounting of the domestic goods of the same kind 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 ex- porting 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 therefore;
9. Other matters deemed necessary by the Minister of Strategy and Finance.

Article 74 (Investigation of Import of Subsidized Goods and Material In- jury, etc.)

- (1) The Trade Committee shall, upon receiving an investigation application under the latter part of Article 73 (1), determine 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 findings of such investigation and the following matters within two months from the day on which the above referenced investigation application is received: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Goods subject to the investigation (if goods subject to the investigation are many in number, goods selected as prescribed by Ordinance of the Ministry of Strategy and Finance);
 2. The investigation period;
 3. The Government of a country exporting goods subject to the investigation or an exporter (if the Government of a country exporting such goods or an exporter is many in number, the governments or exporters selected as prescribed by Ordinance of the Ministry of Strategy and Finance).
- (2) In deciding whether to commence an investigation under paragraph (1), the Trade Committee may, if an investigation application falls under any of the following subparagraphs, dismiss the relevant investigation application: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
1. Where a person who files an investigation application is not eligible for requesting the 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;
 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 In- jury, 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 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 deemed necessary, be extended within the limit of 20 days. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (4) Where the amount of subsidies, etc. or the quantity of imported goods for which subsidies, etc. are paid falls short of the standards prescribed by Ordinance of the Ministry of Strategy and Finance or material injury, etc. is deemed insignificant as a result of a preliminary investigation under paragraph (2), the Trade Committee shall terminate the full-scale investigation under paragraph (5). *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (5) The Trade Committee shall commence a full-scale investigation beginning 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 measure 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 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 deemed necessary, recommend the following matters to the Minister of Strategy and Finance when it reports the results of the full-scale investigation under paragraphs (2) and (5):

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

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

Article 76 (Withdrawal of Request for 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 latter part of paragraph (2), refund any provisional countervailing duty paid according to the relevant provisional measure and rescind any security offered. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

Article 77 (Decision on Material Injury, etc.)

- (1) 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 following matters:
1. Import quantity of goods for which subsidies, etc. are paid (including whether the import of the relevant goods markedly and absolutely increases in comparison with the domestic production or the domestic consumption);
 2. The price of goods for which subsidies, etc. are paid (including whether such price markedly falls in comparison with that of the domestic goods of the same kind);

3. The extent of the amount of subsidies, etc. (including whether the import price of goods for which subsidies, etc. are paid markedly falls in comparison with the normal price of the exporting country);
 4. The output, operating rate, inventory, sale quantity, market share, price (including the effect of bringing down price or curbing price), profits, productivity, investment return, cash flow, employment, wages, growth, capital financing, investment capability and technology development of the domestic industry;
 5. The actual and potential effect of the contents of subparagraphs 1 and 2 on the domestic industry.
- (2) Where material injury, etc. is investigated and 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 following matters 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 there from;
 2. The remarkable growth rate of goods for which subsidies, etc. are paid, an indication of a potential growth in actual imports;
 3. The substantial expansion of the production capacity which makes it possible to boost the export of goods for which subsidies, etc. are paid to Korea (the potential of exporting goods to other countries shall be taken into account);
 4. Whether the price of goods for which subsidies, etc. are paid brings down or curbs the price of the goods of the same kind, and the potential of increasing additional import demand;
 5. The inventory of goods for which subsidies, etc. are paid and the current inventory of the goods of the same kind.
- (3) In investigating and deciding whether to exist the fact of material injury, etc. under paragraph (1), the Trade Committee may, where 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;

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

- (4) Where 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) Where any interested person asks for a perusal of the data other than the data requested to be handled confidentially from among the related evidential data furnished under Article 73 (4) and the data furnished or reported under paragraph (1) and Article 81, the Minister of Strategy and Finance or the Trade Committee shall comply with such request unless special reasons exist that make it impossible for him/her and it to do so. In this case, the request by the interested person for the perusal of the data shall be made in writing, stating the reasons therefore and the list of data. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (8) The Minister of Strategy and Finance or the Trade Committee may, when deemed necessary or there is a request from any interested person, give such interested person an opportunity to state his/her opinion at a public hearing, etc. or persons in conflict of their interests an opportunity to consult with each other.

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 ex- porters 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) Where 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 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) Where it is confirmed as a result of a preliminary investigation under Article 75 (2) that there is adequate evidence presuming the existence of the fact of the payment of subsidies, etc. and the fact of material injury, etc. caused thereby, the provisional measure as prescribed in Article 59 (1) of the Act may be applied after the day on which at least 60 days expire from the day on which the relevant investigation was launched.
- (2) The application period of the provisional measure as prescribed in Article 75 (3) shall be not more than four months.
- (3) Security offered in accordance with Article 59 (1) of the Act, which falls under Article 24 (1) 1 through 4 and 7 of the Act, shall be an amount equivalent to the amount of a provisional countervailing duty. *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

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

- (1) Where the Government of an export country or an exporter of any goods on which an investigation is launched to decide whether to levy a countervailing duty intends to propose the pledge as prescribed in Article 60 (1) of the Act or to request the continuation of an investigation into injury under Article 60 (2) of the Act, it or he/she shall file a request therefore 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) Where the pledge offered under paragraph (1) falls under each of the following subparagraphs, the Minister of Strategy and Finance may accept such pledge: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
 1. Where the pledge is to adjust the price without delay;
 2. Where the pledge is to abolish or cut subsidies, etc, within six months from the day on which such pledge is given;
 3. Where the pledge is to take a proper measure to remove the effect of subsidies causing injury to the domestic industry within six months from the day on which such pledge is given.

- (3) The Minister of Strategy and Finance may, when deemed necessary, designate the Government of an export country or an exporter and then propose that such Government or such exporter make the pledge as prescribed in Article 60 (1) of the Act. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (4) The Minister of Strategy and Finance shall not accept the pledge under paragraph (2) or propose the pledge under paragraph (3) before it is confirmed as a result of a preliminary investigation under Article 75 (2) that there is adequate evidence presuming the existence of the fact of payment of subsidies, etc. and the fact of material injury, etc. caused thereby. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (5) Where the Government of any exporting country or any exporter fails to fulfill the pledge accepted under Article 60 (2) of the Act, the Minister of Strategy and Finance may promptly take a measure to 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) Where the Minister of Strategy and Finance confirms as a result of the continued investigation under the proviso to Article 60 (2) of the Act that the fact of material injury, etc. or the fact of payment of subsidies, etc. is nonexistent, the effect of the relevant pledge shall be deemed extinguished: Provided, That if it is judged that the nonexistence of material injury, etc. and the payment of subsidies, etc. have been caused by the pledge, the Minister of Strategy and Finance may keep the pledge fulfilled for a properly fixed period and, if the Government of any exporting country or any exporter refuses to fulfill the pledge, the Minister of Strategy and Finance may take a prompt measure to 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. Where the existence of material injury, etc. is finally confirmed, or it is finally confirmed that such material injury, etc. is feared to occur, but it is finally confirmed that a lack of the provisional measure causes the

existence of such material injury, etc., goods imported during a period in which the provisional measures is applied;

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

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) Where 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. Where the amount of a countervailing duty is lower than that of a provisional countervailing duty, the amount of a provisional countervailing duty, which is equivalent to a difference, shall be refunded.

- (2) Where security offered under Article 59 (1) of the Act falls under Article 82 (1), the amount of a countervailing duty to be 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) Where the pledge described in Article 81 (1) is accepted after the existence of the fact of payment of subsidies, etc. and the fact of material injury, etc, caused thereby is confirmed as a result of a full-scale investigation described in Article 75 (5) and the investigated final countervailing duty rate is equal to or exceeds the rate of a provisional countervailing duty, a difference accruing from the different two rates shall not be collected and if the rate of the former is lower than that of the latter, the amount of a countervailing duty, which is equivalent to a difference between them, shall be refunded.

Article 84 (Review of Countervailing Duty and Pledge)

- (1) The Minister of Strategy and Finance shall, if 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 pledge is carried out under Article 62 (1) of the Act: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
1. After a countervailing duty is imposed and the pledge is carried out, where circumstantial changes fully deemed necessary to modify the contents thereof take place;
 2. Where the domestic industry is threatened with injury after the completion of a countervailing duty and the pledge;
 3. Where the amount of a countervailing duty is paid in excess of the amount of actual subsidies, etc.
- (2) Any request for a review referred to in paragraph (1) may be filed after the expiration of one year from the day on which a countervailing duty or the pledge 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 pledge is lost. In this case, the Minister of Strategy and Finance shall determine whether the review is required within two months from the day on which a request is filed for such review. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

- (3) In addition to the case of the review under paragraph (1), the Minister of Strategy and Finance may reexamine the appropriateness of any countervailing duty and any pledge 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 pledge is put into force in connection with the contents of such countervailing duty or such pledge (including contents modified according to the review). *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (4) 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 pledge. 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 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 deemed necessary, extend the period of one month within the limit of 20 days. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (7) Where the review is conducted for the reason of paragraph (1) 2, even if the time limit applied to the relevant countervailing duty expires during the review period, the effect of the relevant measure shall continue to be valid during such review period.
- (8) 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 pledge is lost or feared to be lost, ask the Government of any exporting

country or any exporter that is carrying out the relevant pledge to modify such pledge and, if the Government of such exporting country or such exporter refuses to modify the pledge, 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 written notice thereon 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 pledge as prescribed in Article 60 (1) of the Act or continues the investigation;
3. When he/she commences the review under Article 62 (1) of the Act or modifies the contents of a countervailing duty measure as a result of such review;
4. When he/she extends the effect of a countervailing duty measure under Article 84 (7).

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

1. When an investigation application is dismissed under Article 74 (2) or an investigation is terminated under Article 75 (4);
2. When a preliminary decision is made according to the results of a preliminary investigation under Article 75 (2);

3. Where a final decision is made according to the results of a full-scale investigation under Article 75 (5);
 4. When the investigation period is extended in accordance with Article 75 (6) and the proviso to Article 84 (5);
 5. When the period is extended in accordance with Article 75 (8);
 6. When a 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; <by Presidential Decree No. 17467, Dec. 31, 2001>
 8. When the Minister of Strategy and Finance proposes the pledge under Article 81 (3).
- (3) The Minister of Strategy and Finance or the Trade Committee shall, when any interested person files a written request in connection with an investigation under Article 75 in the process of such investigation, notify such interested person of the progress of the investigation. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

Article 86 (Retaliatory Duties)

- (1) The minister of any ministry concerned or any interested person shall, when he/she intends to request the imposition of retaliatory duties (herein- after 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;
 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 deemed necessary to investigate matters with respect to the application of retaliatory duties, ask administrative agencies concerned, any exporter, any importer and any interested person to furnish data and provide necessary cooperation. <Amended by Presidential Decree No.

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 where the Minister of Strategy and Finance deems it necessary, the period of one month may be extended within the limit of 20 days.

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

- (2) Where it is decided to levy emergency tariffs on the specific imported goods to which provisional emergency tariffs are applied and the amount of such emergency tariffs is equal to or exceeds the amount of such provisional emergency tariffs, the latter shall be deemed the former and any difference between them shall not be collected. If the amount of such emergency tariffs is lower than that of such provisional emergency tariffs, the amount of the provisional emergency tariffs, which is equivalent to a difference, shall be refunded.
- (3) Where the Trade Committee judges that any domestic industry is not injured and then notifies the Minister of Strategy and Finance thereof, the amount of provisional emergency tariffs paid shall be refunded. *<Amended*

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

Article 89 (Review of Emergency Tariffs)

Where the Trade Committee 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 determine 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) "Country of origin ---<omitted>---prescribed by Presidential Decree" in other part than the 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). *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*
- (2) The emergency tariffs to be imposed on goods whose country of origin 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 Live- stock Products)

- (1) In cases 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 following occurs, one of them may be selected to apply, as prescribed by Ordinance of the Ministry of Strategy and Finance: *<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);
 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 (herein- after referred to as "base trigger volume"): Provided, That if the base trigger volume runs below 105/100 of the average import quantity of the preceding three years, the base trigger volume shall be 105/100 of the average import quantity of the preceding three years:

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

(3) The special emergency tariffs 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 rates of import price in comparison with the base price runs above 10/100 and below 40/100: 30/100 of the amount exceeding 10/100 of the base price;

2. If the decline rates of import price in comparison with the base price runs above 40/100 and below 60/100:
(30/100 of the amount exceeding 10/100 or up to 40/100 of the base price) + (50/100 of the amount exceeding 40/100 of the base price);
 3. If the decline rates of import price in comparison with the base price runs above 60/100 and below 75/100:
(30/100 of the amount exceeding 10/100 or up to 40/100 of the base price) + (50/100 of the amount exceeding 40/100 or up to 60/100 of the base price) + (70/ 100 of the amount exceeding 60/100 of the base price);
 4. If the decline rates of import price in comparison with the base price runs above 75/100: (30/100 of the amount exceeding 10/100 or up to 40/100 of the base price) + (50/100 of the amount exceeding 40/ 100 or up to 60/100 of the base price) + (70/100 of the amount exceeding 60/100 or up to 75/100 of the base price) + (90/100 of the amount exceeding 75/100 of the base price).
- (5) In the application of paragraph (1), when the base trigger volume is calculated for any perishable or reasonable 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 para- graph (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 the competent ministry or an interested person shall, when he/she intends to make requests for measures as prescribed in Article 68 of the Act, furnish the data pertaining to the following matters, which

are related to the relevant goods, to the Minister of Strategy and Finance: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

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;
 3. Tariff rates to be raised, grounds therefore, application period and other reference matters.
- (9) The Minister of Strategy and Finance may, when deemed necessary to survey matters necessary for applying the special emergency tariff, request 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 competent ministry or an interested person shall, when he/she intends to make requests for the measures as prescribed in Article 69 of the Act, furnish the data pertaining to the following matters, which are related to the relevant goods, to the Minister of Strategy and Finance: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*
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 therefore;
 4. The monthly import price and import quantity by major importing country for the preceding year;
 5. The monthly factory price and the shipment of goods out of factory by major domestic manufacturing business for the preceding year;
 6. Tariff rates to be raised, grounds therefore and the application period thereof.
- (2) The Minister of Strategy and Finance may, when deemed necessary to survey matters necessary for

applying the adjusted duties under Article 69 of the Act, request institutions concerned, exporters, importers and other interested persons to furnish related data and provide necessary cooperation. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

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 fall-ing 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;
3. If the quantity is required to be restricted under the latter part of Article 71 (1) of the Act, such quantity and the calculation basis thereof.

(2) 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 following matters, which are related to the relevant goods, to the Minister of Strategy and Finance: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

1. Materials concerning the matters 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;
4. In cases 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/her: Provided, That with respect to any goods designated by the Minister of Strategy and Finance, the quota shall be allocated in order of import declaration and the quota on the day on which a certain quantity reaches shall be allocated according to the proportion of the import declaration filed on the day to the relevant quantity. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

- (4) Any person who receives 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 deemed 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 following matters, which are related to the relevant goods, to the Minister of Strategy and Finance: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
 1. Name, standard, the purpose of use and alternative goods;
 2. The monthly import price and the price trends in major international commodity market in the most recent of one year;
 3. The monthly factory price by major domestic manufacturing company in the most recent of one year;
 4. The producer price index, consumer price index and import price index of the relevant goods and major related goods;

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

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

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

(2) When the Minister of Strategy and Finance deems it necessary to survey matters necessary for applying the seasonal duties, he/she may request relevant data or necessary cooperation from relevant institutions, exporters, importers and other interested persons. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*

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

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

Article 95 (Beneficial Duties)

Regions	Countries
1. Asia	Afghanistan, Bhutan, Laos
2. The Middle-East	Iran, Iraq, Lebanon, Syria, Yemen
3. Oceania	Nauru, Vanuatu, Samoa
4. Africa	Comoros, Ethiopia, Liberia, Somalia
5. Europe	Andorra, Monaco, San Marino, Russia, the Vatican

(1) Countries that may be beneficiaries of customs duties under Article 74 of the Act are as shown in the following table: *<Amended by Presidential Decree No. 23602, Feb. 2, 2012>*

(2) Goods subject to the beneficiaries of customs duties under Article 74 of the Act shall be the goods prescribed in (a) through (c) of 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 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 cases 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 cases 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;

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;

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

(5) The Minister of Strategy and Finance may, when deemed 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 attached Table 2.
- (2) Notwithstanding paragraph (1), the simplified tariff rates shall not apply to the goods falling under each of the following subparagraphs: *<Amended by Presidential Decree No. 17467, Dec. 31, 2001>*
1. Goods on which the applicable tariff rate is zero and goods for which customs duties are reduced or exempted;
 2. Raw materials for export;
 3. Goods related to the customs offense described in the Chapter XI of the Act;
 4. Goods to which specific duties are applied;
 5. Goods, prescribed by the Commissioner of the Korea Customs Service, which fall under each of the following items:
 - (a) Goods, the quantity of which is deemed commercially used;
 - (b) High-priced goods;
 - (c) Goods, the import of which is feared to damage the domestic industry;
 - (d) Goods which, as the single and simplified tariff rates are applied under Article 81 (4) of the Act, are feared to disrupt the equity of duty imposition;
 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 swift customs clearance and the grasp of statistics with respect to the export and import of goods in accordance with Article 3 (3) of the International Convention on Harmonized Commodity Description and Coding System (hereafter 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) Where the Customs Cooperation Council makes a recommendation or a decision with respect to the tariff classification of the Convention or new commodities are developed, making it necessary to modify the attached Schedules of Tariff Rates under the Act, the tariff classification and the Harmonized Schedules established in accordance with the Regulations on Tariff Concessions 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 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 cases where the published standards are modified.

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

(2) The Minister of Strategy and Finance may, when deemed 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 chairperson 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 chairperson of the Tariff Classification Committee, and the members shall be appointed or commissioned by the Commissioner of the Korea Customs Service from among persons falling under any one of the following subparagraphs: *<Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 19513, Jun. 12, 2006; Presidential Decree No. 19993, Apr. 5, 2007>*

1. Public officials belonging to the Korea Customs Service;

2. Public officials belonging to central administrative agencies concerned;

3. Deleted; *<by Presidential Decree No. 18333, Mar. 29, 2004>*

4. Persons recommended by non-governmental organizations (meaning nonprofit and non-government

organizations under Article 2 of the Assistance for Nonprofit and Non-Government Organizations Act; hereinafter the same shall apply);

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

- (3) The chairperson of the Tariff Classification Committee shall exercise overall control over the affairs of the Committee and represent the Committee.
- (4) Where the chairperson of the Tariff Classification Committee is unable to discharge his/her duties for unavoidable reasons, a member designated by the chairperson shall act on behalf of the chairperson in discharging his/her duties.
- (5) Where any member, who is a public official, from among the members of the Tariff Classification Committee, is unable to attend a meeting of the Tariff Classification Committee 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 chairperson of the Tariff Classification Committee shall convene any meeting and preside over such meeting.
- (2) A meeting of the Tariff Classification Committee shall consist of the chairperson and fourteen persons designated by the chairperson 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 chairperson 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 budgetary limits. *<Amended by Presidential Decree No. 18333, Mar. 29, 2004>*

Article 104 (Regulations for Operating Tariff Classification Committee)

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

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

Article 106 (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 therefore, and the head of the relevant customhouse confirms that fact at the time the goods go through customs clearance, the Commissioner of the Korea Customs Service may get the presentation of the samples required under 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;

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, Mar. 26, 2010>

CHAPTER IV REDUCTION AND EXEMPTION, REFUND, AND INSTALLMENT

PAYMENT

SECTION 1 Reduction and Exemption

Article 108 (Designation of Embassy Staff, etc.)

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

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

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

(1) Any person who intends to obtain approval from the head of the relevant customhouse in accordance with the proviso to Article 83 (2) of the Act, the proviso to Article 88 (2) of the Act, the proviso to Article 97 (2) of the Act (including cases 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 following matters with the head of the relevant customhouse (here in after referred to as the "head of the jurisdictional customhouse") who has jurisdiction over the location of the relevant goods: Provided, That in cases falling under the proviso to Article 97 (2) of the Act (including cases 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 customhouse 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 customhouse in which the relevant goods go through customs clearance;
3. Reasons for applying for approval;
4. The business type, domicile, firm name and name (the name of representative in cases of a corporation) of a transferee of the relevant goods.

(2) Any person who intends to make goods destroyed or lost as a result of a calamity or any other unavoidable grounds subject to the application of Article 83 (3) of the Act, the proviso to Article 97 (3) of the Act (including cases 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 following matters, appended by a document attesting the fact, with the head of the relevant customhouse after such goods are destroyed or lost:

1. The name, standard, quantity, the date on which an import declaration is accepted and the number of import declaration of the destroyed or lost goods;
2. The date on which the goods are destroyed or lost and place where the goods are destroyed or lost;
3. The name of the relevant customhouse 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 customhouse in accordance with the proviso to Article 83 (3) of the Act, the proviso to Article 97 (3) of the Act (including cases 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 following matters with the head of such customhouse:

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 customhouse in which the relevant goods go through customs clearance;
3. Reasons for and methods of disposing of the relevant goods, the place where such goods are disposed of and the date on which such goods are disposed of.

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

The Commissioner of the Korea Customs Service shall, when he/she intends to fix a period for prohibition from using for other purpose than specific purpose or a period for prohibition from acquiring by transfer or transferring the goods whose customs duties are reduced or exempted in accordance with Article 83 (2), 88 (2) or 102 (1) of the Act (hereinafter referred to as 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;
 - (c) Goods whose useful life is not more than three years: within one year;
2. Where 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 cases of goods which are used only by specific persons such as the handicapped and the metallic pattern which cannot be used for other purpose in light of its nature, the post management period thereof shall be up to the day on which an import declaration thereon is accepted. In cases of goods used for any exhibition and any exposition, etc., the post management period thereof shall be up to the day on which the purpose of use is extinguished or such events come to the end;
3. Where 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 cases

of goods which are in fact consumed after being used as raw materials, components or samples, etc., the post management period thereof shall be up to the day on which such goods are confirmed to be shipped into a place where they are used for the purpose of reduction or exemption. Where 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;

4. The post management period based on the rate obtained by multiplying the tariff rate described in Article 50 of the Act for the goods whose customs duties are reduced or exempted by the reduction and exemption rate: In cases of not more than three percent, not more than one year and in cases 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) Where customs duties are exempted in accordance with this Act and other Acts or treaties, the tariff rate described in Article 50 (1) 1 of the Act shall not be included in the scope of the exemption of customs duties except as otherwise provided for the scope of the exemption of customs duties.

Article 112 (Application for Reduction or Exemption of Customs Duties)

- (1) Any person who intends to obtain a reduction or exemption of customs duties in accordance with this Act, other Acts related to customs duties or treaties shall file an application stating the following matters with the head of the relevant customhouse before an import declaration thereon is accepted: Provided, That an application for a reduction or exemption of customs duties may be filed in a simplified manner in cases prescribed by the Commissioner of the Korea Customs Service: <Amended by Presidential Decree No. 23602, Feb. 2, 2012>
 1. The domicile, name and firm name of a person who intends to obtain a reduction or exemption of customs duties;

2. The kind of business (needs to be specifically stated if a reduction or exemption is granted by type of business);
3. The name, standard, quantity, price, the use and the place where the relevant goods are installed and used;
4. A legal ground for a reduction or exemption of customs duties;
5. Other reference matters.

(2) Notwithstanding the main sentence other than subparagraphs of paragraph (1), an application for reduction or exemption of custom duties may be filed within the time limit set forth in the following classifications if any of the following grounds arises: <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

1. Where customs duties are collected pursuant to Article 39 (2) of the Act: Within five days from the date on which the relevant notice of payment is served;
2. Where an application for reduction or exemption is not submitted until an import declaration is accepted: Within 15 days from the date on which the relevant import declaration is accepted (limited to the cases where the relevant goods are not carried out of the bonded zone).

(3) Documents to be appended to an application under paragraphs (1) and (2) and entries therein shall be determined by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 23602, Feb. 2, 2012>

Article 113 (Designation of Manufacturing and Repair Factory)

(1) Any person who intends to have his/her manufacturing and repair factory designated in accordance with Article 89 (1) of the Act shall file an application stating the following matters, accompanied by a business plan and a drawing showing the relevant area and its nearby area, with the head of the relevant customhouse: <Amended by Presidential Decree No. 17833, Dec. 30, 2002>

1. The name, location, structure, the number of buildings and area of the relevant manufacturing and repair factory;
2. The name of goods manufactured therein and names of raw materials and components;
3. Operational facilities and equipment and their capacity;
4. Period intended to be designated.

(2) The head of the relevant customhouse in receipt of an application pursuant to paragraph (1) shall designate

a manufacturing and repair factory for a fixed period up to three years if he/she deems such designation does not hinder supervision and control. In such cases, the fixed period may be renewed, as prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*

- (3) Where nothing prevents the supervision and control of a specific area at any airport, in which an aircraft is repaired temporarily under Article 89 (1) of the Act and it is deemed necessary to efficiently manage a reduction or exemption of customs duties on goods, the tariff rates of which differ from each other, the Commissioner of the Korea Customs Service may designate such specific area as a manufacturing and repair factory in accordance with paragraphs (1) and (2). *<Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002>*
- (4) Any person falling under any subparagraph 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 Re-Export Period)

Any person who intends to get his/her re-export period extended in accordance with the proviso to Article 97 (1) 1 of the Act shall file an application stating the date on which the import declaration is accepted, the import declaration number, name, standard and quantity of the relevant goods, and a desired period of extension and reasons for extending the period with the head of the relevant 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 re-export period. *<Amended by Presidential Decree No. 18333, Mar. 29, 2004>*

Article 115 (Duty Exemption Period for Re-Export)

- (1) The head of the relevant customhouse shall, when he/she intends to fix a duty exemption period for goods to be re-exported, make the period falling under each of the following subparagraphs such duty exemption period for such goods. In this case, if the goods subject to the duty exemption for their re-export are seized by administrative authorities, the period of their seizure shall not be included in their duty exemption period:

1. In cases of personal effects, news coverage goods and other similar goods imported by hand or imported separately by persons when they enter Korea for the purpose of re-exporting such personal effects and goods after using them during their temporal stay in Korea, a period from the day of their entry to the day of their departure;
 2. In cases of goods imported to be displayed or used in any exposition, exhibition, competitive show or other similar event, a period during which such events are held, in addition to the number of days necessary for re-exporting such goods from the day on which such events come to the end;
 3. In cases of goods and materials for processing and repair, a period which is deemed necessary for such processing and repair;
 4. In cases of other goods imported in accordance with a shipment contract, a period confirmed by an evidential document pertaining to such shipment contract. If it is impossible to confirm such period with such evidential document, the head of the relevant 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 re-export period within the limit of four years, fix such period based on a period confirmed by an evidential document concerning a shipment contract of the relevant goods: Provided, That where it is inappropriate to fix a period based on such period confirmed by such evidential document or it is impossible to confirm such period with such evidential document, the head of the relevant customhouse may fix a re-export period based on a period deemed appropriate in light of the nature, the purpose of use, the lease period or the contract period of the relevant goods.

Article 116 (Export of Goods Whose Customs Duties have been Reduced or Exempted on Condition of Re-Export and Collection of Additional Duty)

- (1) Any person who intends to re-export goods whose customs duties have been reduced or exempted under Article 97 (1) or 98 (1) of the Act within the relevant period shall file an export declaration appended by the

import declaration completion certificate on the relevant goods or another certificate substituting such certificate and other reference documents.

- (2) The head of the relevant customhouse 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 customhouse, 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 cases 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;
 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 Over- seas 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;
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 following matters, appended by documents necessary to get customs duties reduced or exempted for goods imported to be used for the new purpose with the head of the relevant customhouse 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 customhouse in which goods go through customs clearance;
3. The original purpose of use, business type, the place where goods are installed or used and the legal basis for the reduction or exemption of customs duties;
4. The new purpose of use of the relevant goods, business type, the place where goods are installed and used and the legal basis for the reduction or exemption of customs duties.

- (2) Where customs duties are reduced or exempted under Article 103 of the Act, if the amount of customs duties which are reduced or exempted according to the new purpose of use is smaller than that of customs duties which are originally reduced or exempted, the amount of customs duties, which is equivalent to a difference there from, 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) Where goods, on which an import declaration is accepted, are different from contents of a contract and remain unchanged in the form and nature from the time that they are imported, any person, who intends to export the relevant goods under Article 106 (1) or (2) of the Act or to ship the relevant goods into a bonded factory, shall file an export declaration or file a report on the shipment of the relevant goods into such bonded factory, accompanied by the statement, stating the name, specification, quantity, price of such goods and reasons for their export or shipment, an evidential document with respect to the details of such contract on the import of the relevant goods, then import declaration completion certificate or an evidential document issued by the relevant customhouse in lieu of such certificate, with the head of the relevant customhouse. *<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 customhouse in lieu of such certificate, with the head of the relevant customhouse. *<Amended by Presidential Decree No. 18333, Mar. 29, 2004>*
- (3) The amount of customs duties to be refunded under paragraph (2) shall be the total amount of customs

duties already paid for the goods and where part of the goods are exported or are shipped into a bonded factory, the amount of customs duties to be refunded shall be the amount of customs duties, which corresponds to the part of such goods. <Amended by Presidential Decree No. 18333, Mar. 29, 2004>

Article 122 (Refund of Customs Duties for Disposed Goods)

(1) Any person who intends to obtain approval for disposing of goods under Article 106 (3) of the Act shall file an application stating the following matters, appended by the import declaration completion certificate of the relevant goods or any certificate issued by the relevant customhouse in lieu of such certificate and an evidential document explaining the inevitability of disposing of the relevant goods, with the head of the relevant customhouse:

1. The name, standard, quantity, the date on which an import declaration is accepted, the import declaration number and the place where the relevant goods are stored;
2. The method of disposing of the relevant goods, the date on which the relevant goods are planned to be disposed of, and the place where the relevant goods are planned to be disposed of;
3. Reasons for disposing of such goods.

(2) Any person who intends to get customs duties refunded under Article 106 (3) of the Act, which are paid on goods disposed upon the approval described in paragraph (1), shall file an application stating the matters falling under each of the following subparagraphs, appended by a written disposal approval under paragraph (1), with the head of the relevant customhouse:

1. The name, standard, quantity, the date on which an import declaration is accepted and the import declaration number of the relevant goods and the place where such goods are stored;
2. The date on which the relevant goods are disposed of;
3. The name, standard and quantity of remainders resulting from the disposal of the relevant goods.

(3) The amount of customs duties to be refunded under paragraph (2) shall be the amount of customs duties that are already paid on the goods: Provided, That with respect to the remainders referred to in paragraph (2) 3, the amount of customs duties to be refunded shall be the amount obtained by deducting the amount of

customs duties to be levied according to the nature, quantity and price of such remainders at the time the goods are disposed of from the amount of customs duties that are already paid.

Article 123 (Refund of Customs Duties Due to Destruction or Loss, Qualitative Change and Damage, etc.)

(1) Any person who intends to get customs duties refunded in accordance with Article 106 (4) of the Act shall file an application stating the following matters, appended by the import declaration completion certificate or other certificate issued by the relevant customhouse in lieu of such certificate, with the head of the relevant customhouse:

1. The name, standard, quantity of the relevant goods, the date on which the import declaration thereon is accepted, the import declaration number and the place where such goods are stored;
2. The extent of damage and other reference materials;
3. The amount of customs duties he/she wants to be refunded and the base for calculating such amount.

(2) The amount of customs duties that are refunded in accordance with paragraph (1) shall be the amount classified according to each of the following subparagraphs:

1. Goods destroyed or lost: The whole amount of customs duties that are already paid;
2. Qualitatively changed or damaged goods: The amount calculated applying mutatis mutandis the provisions of Article 118 of the Act.

Article 124 (Application for Canceling 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 therefore with the head of the relevant customhouse 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 following matters with the head of the relevant customhouse within the payment deadline:

1. The name, domicile and firm name of the person liable for duty payment;

2. The amount of customs duties he/she wants to pay in installments, the date on which an import declaration of the relevant goods is filed, the import declaration number, and the name, standard, quantity and price of the relevant goods;
 3. Reasons for paying customs duties in installments and a period therefor;
 4. The amount of customs duties to be paid in installments and frequency.
- (2) Where the head of the relevant customhouse allows the payment of customs duties in installments under paragraph (1), the provisions of Article 2 shall apply mutatis mutandis thereto.

Article 126 (Application for Approving Payment of Customs Duties in Installments)

Any person who intends to obtain approval for paying customs duties in installments in accordance with Article 107 (2) of the Act shall file an application stating the name, standard, quantity, price, the purpose of use of the relevant goods, the place where such goods are used and business type with the head of the relevant customhouse 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 customhouse shall, when he/she grants approval for paying customs duties in installments under Article 126, issue the duty payment notice by the payment deadline in accordance with Article 39 of the Act.
- (2) The head of the relevant customhouse 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 deadline 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 customhouse under Article 107 (3) of the Act shall file an application stating the following matters, appended by a copy of the contract on

transfer and acquisition by transfer of the relevant goods, with the head of a customhouse 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 customhouse in which such goods go through customs clearance, the date on which an import declaration thereon is accepted and the import declaration number;
2. The amount of customs duties he/she wants to pay in installments and the amount of customs duties that are already paid;
3. The transferee;
4. Reasons for obtaining such approval.

Article 129 (Shipment of Goods Whose Customs Duties are Approved to be Reduced or Exempted or Paid in Installments and Change Report)

- (1) Any person who has obtained approval for the application of the usage tariff rate, the reduction or exemption of customs duties or the payment of customs duties in installments in accordance with Articles 83, 89 (1) 2, 90, 91, 93, 95, 98 and 107 of the Act shall ship the relevant goods into the place where such goods are installed or used within one month from the day on which an import declaration thereon is accepted.
- (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 stated:
 1. The name, standard and quantity of the relevant goods;
 2. Matters concerning the price of the relevant goods, the application of the usage tariff rate, the reduction or exemption of customs duties or the payment of customs duties in installments;
 3. The import declaration number of the relevant goods, the date on which the import declaration thereon is accepted and the name of the relevant customhouse in which such goods go through customs clearance;
 4. The date on which the goods are installed or used and the date on which the use of such goods commences;

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

(3) Where it is intended to change the place in which goods are installed or used for the goods for which approval is granted for the application of the usage tariff rate or the goods whose customs duties are reduced or exempted in accordance with Articles 83, 89 (1) 2, 90, 91, 93, 95 and 98 of the Act within the period prescribed in the relevant provisions, or the goods for which approval is granted for the payment of customs duties in installments in accordance with Article 107 of the Act within the installment payment period expires, a report stating the change of the place and the following matters shall be made to the head of the relevant customhouse having jurisdiction over the previous place and the goods shall be shipped into the changed place within one month from the day on which such report is filed: Provided, That where a person intends to ship his/her goods into his/her another domestic place due to an emergency situation such as a natural disaster or a labor-management dispute, he/she shall file a report thereon to the head of the relevant customhouse having jurisdiction over the place and file a report on the change of the place to the head of the relevant customhouse 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 therefore of the relevant goods;
3. The import declaration number of the relevant goods and the relevant customhouse in which such goods go through customs clearance;
4. The date on which the relevant goods are shipped into the place where such goods are installed or used and the date on which the use of such goods commences;
5. The place where the relevant goods are installed or used and the name and domicile of the reporter.

Article 130 (Transfer of Goods Subject to Follow-up Management and Collection of Customs Duties)

(1) With respect to goods for which approval is granted for the application of the usage tariff rate, the reduction or exemption of customs duties or the payment of customs duties in installments in accordance with Articles

83, 89 (1) 2, 90, 91, 93, 95 (1) 1 through 3, 98 and 107 of the Act, if the relevant customhouse in which such goods are cleared and the jurisdictional customhouse are different, the head of the relevant customhouse in which the goods are cleared shall turn over related documents concerning the relevant goods to the head of the jurisdictional customhouse as prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

- (2) With respect to goods, the related documents of which are handed over by the head of the relevant customhouse where such goods are cleared, to the head of the jurisdictional customhouse under paragraph (1), the customs duties to be imposed on such goods in accordance with Article 97 (3) of the Act (including cases 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 customhouse.

Article 131 (Reporting 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;
 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 customhouse 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 customhouse may take measures as prescribed by the Commissioner of the Korea Customs Service necessary to confirm implementation of the relevant conditions for the goods which are granted approval for the application of the usage tariff rate, the reduction or exemption of customs duties or the payment of customs duties in installments. *<Amended by Presidential Decree No. 18086, Aug. 21, 2003>*
- (2) The documents provided for in Article 108 (2) of the Act shall be submitted to the head of the relevant customhouse in which goods go through customs clearance or the head of the jurisdictional customhouse as prescribed by the Commissioner of the Korea Customs Service.

Article 133 (Entrustment of Follow-up Management)

- (1) When it is necessary to confirm implementation of the conditions for the goods which are granted approval for the application of usage tariff rates, the reduction or exemption of customs duties or the payment of customs duties in installments, the Commissioner of the Korea Customs Service shall entrust the matters concerning the post management according to the following classifications under Article 108 (3) of the Act: *<Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 22816, Apr. 1, 2011>*
1. In cases of Article 109 (1) of the Act: The minister of the ministry in charge of the enforcement of the relevant Act and treaty, etc;
 2. In cases of Article 83 (1), 90, 91, 93, 95 (1) 1 through 3 or 107 of the Act: The minister of the ministry in charge of the relevant affairs.
- (2) The minister of the ministry entrusted with the follow-up management under paragraph (1) shall, when he/she confirms the cause exists 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 following matters on the head of the relevant customhouse 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;
 4. The domicile and name of the owner of the relevant goods.
- (3) Matters concerning the post management of the goods entrusted under paragraph (1) shall be determined by the minister of the ministry entrusted with the post management after consulting with the Commissioner of the Korea Customs Service.

Article 134 (Application for Confirming Use of Goods for Other Purpose)

Any person who intends to obtain confirmation under Article 109 (1) of the Act shall file with the head of the relevant customhouse 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)

"Cases prescribed by Presidential Decree" in Article 110 (2) 3 of the Act means any of the following cases:

<Amended by Presidential Decree No. 22816, Apr. 1, 2011>

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

Article 135-2 (Exceptions to Principles of Consolidated Investigations)

"Cases prescribed by Presidential Decree where a customs officer needs to investigate a specific field only"

in Article 110-2 of the Act means any of the following cases:

1. Where it is necessary to investigate a specific field only in consideration of a suspicion of tax evasion or an offence of duties related to import and export, type and scale of business, etc. of an exporter, importer, etc.;
2. Where an urgent investigation is necessary to secure duty claims, etc.;
3. Cases prescribed by Ordinance of the Ministry of Strategy and Finance where it is necessary to investigate a specific field only in consideration of the efficiency of investigation, convenience of taxpayers, etc.

[This Article Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012]

Article 135-3 (Standards for Customs Duty Investigations against Persons who have not been Investigated for Long Period)

Investigations prescribed in Article 110-3 (1) 2 of the Act shall be conducted in compliance with standards determined by the Commissioner of the Korea Customs Service in consideration of the type, scale, history, etc. of business of the exporters, importers, etc.

[This Article Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012]

Article 135-4 (Exemption from Customs Duty Investigations against Faithful Operator of Small Scale Business)

In accordance with the main sentence of Article 110-3 (4) of the Act, a person who meets all the following requirements may be exempted from an investigations provided in Article 110-3 (1).

1. The scale of export and import declarations for the preceding two years shall not exceed three billion won;
2. He/she shall not fall under any of the following subparagraphs within the preceding four years:
 - (a) The fact that he/she has been subject to a disposition of notification or a fine or a heavier punishment for violating any Act or subordinate statute related to export and import;
 - (b) The fact that he/she has failed to pay customs duties or any domestic tax;

- (c) The fact that a rectification has been made by the head of a customhouse as the amount of tax paid by self-return pursuant to Article 38-3 (4) is deficient.

[This Article Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012]

Article 136 (Prohibition on Repetitious Investigation)

"General investigations are conducted against persons who have been on suspicion of tax evasion and other cases prescribed by Presidential Decree" referred to in Article 111 (2) 4 of the Act means the case where a general investigation is conducted on persons suspected of evading customs duties through smuggling, illegal or unfair trade or other acts which disrupt economic order. *<Amended by Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 23602, Feb. 2, 2012>*

Article 137 (Right to Obtain Assistance in Customs Investigations)

"Any other person prescribed by Presidential Decree" referred to in Article 112 of the Act means either of the following persons: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. A public official in general service who has at least 20 years of work experience in customs administration;
2. Other person of abundant knowledge and experience relating to customs duties, who is recognized by the head of the relevant customhouse.

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

Article 138 (Grounds for Excluding from Assumption of Duty Payer's Good Faith, etc.)

(1) "Other cases prescribed by Presidential Decree" in Article 113 (1) of the Act means any of the following cases: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where any duty payer fails to perform his/her duty to cooperate in payment of duties, such as a duty return, an application and the submission of duty data;
2. Where there is specific information about duty evasion by a duty payer;
3. Where a duty return contains indisputable data corroborating an omission or an error;
4. Where the content 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) "Acts prescribed by Presidential Decree" in Article 113 (2) of the Act means any of the following: <Amended

by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>

1. An question or request for submitting data necessary for examining the amount of customs duties under Article 38 (2) of the Act;
2. An inspection of goods under Article 246 of the Act;
3. Submission of books or data under Article 266 (1) of the Act;
4. A data survey or a request for submission of data under other Acts (including the Act on Special Cases concerning the Refund of Customs, etc. Levied on Raw Materials for Export).

Article 139 (Prior Notice on Customs Investigation)

Where a prior notice of a customs investigation is served on a duty payer or any authorized person pursuant to Article 114 (1) of the Act, such prior notice shall be made in writing stating the following matters:

<Amended by Presidential Decree No. 23602, Feb. 2, 2012>

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

Article 139-2 (Period for Customs Investigations)

(1) A period for investigation referred to in subparagraph 2 of Article 139 shall be minimized in comprehensive consideration of the scale of export and import of the person subject to investigation, number of personnel, methods, scope and difficulty in the investigation, but a period for investigation shall not exceed 20 days in cases of visiting investigations. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

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

1. Where it is apparent that the person to be investigated has intention to evade the investigation, by concealing books, documents, etc., or delaying or refusing the submission thereof;
 2. Where it is necessary to extend the scope of the investigation to other goods or other party to a transaction;
 3. Where the investigation is suspended due to natural disasters or labor disputes;
 4. Where it is necessary to extend the period for investigation in order to verify the actual relation or secure evidence on a ground corresponding to those prescribed in subparagraphs 1 through 3.
- (3) A custom officer may suspend an investigation if it is impractical to continue the investigation on any of the following grounds, such as a taxpayer's delay in submitting data. In such cases, the period of suspension shall not be included in the period for investigation or in the extended period for investigation referred to in paragraphs (1) and (2): <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>
1. Where a taxpayer requests for suspension of investigation due to a natural disaster or on any ground for application for postponement of customs investigation provided in Article 140 (1);
 2. Where it is impractical to normally continue the investigation as a taxpayer conceals books, documents, etc., or delays or refuses the submission thereof;
 3. Where it is impractical to normally continue the customs investigation due to the occurrence of a labor dispute, etc.;
 4. Where any extenuating circumstance prescribed by the Commissioner of the Korea Customs Service exists to suspend the customs investigation.
- (4) When a customs officer has suspended a customs investigation pursuant to paragraph (3), he/she shall resume the investigation immediately after the ground for suspension has ceased: *Provided*, That he/she may resume the investigation ever before the ground for suspension has ceased if it is necessary to resume the investigation urgently for such purposes as securing of duty claims, etc. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>
- (5) When a customs officer extends a period for investigation or suspends or resumes an investigation pursuant

to paragraphs (2) through (4), he/she shall provide written notice of the ground and period therefore, etc. to a person to be investigated. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

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

Article 140 (Application for Postponing Customs Investigation)

(1) "Grounds prescribed by Presidential Decree" in Article 114 (2) of the Act means the case falling under any of the following subparagraphs: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where a fire or a disaster causes serious business difficulties;
2. Where a customs investigation is deemed 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 a ground exists falling under the provisions 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 following matters 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)

"Cases prescribed by Presidential Decree" in the proviso to Article 115 of the Act means any of the following cases: <Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where a notice disposition is taken to a duty payer;
2. Where an accusation is filed against a customs offense case;
3. Where the business is closed down;
4. Where it is deemed 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) "Grounds prescribed by Presidential Decree" in the proviso to Article 116-2 (1) of the Act means any of the following cases: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where not less than 30/100 of the amount in arrears is paid;
2. Where a person is in the grace period after the collection of his/her duty in arrears is deferred due to a decision to authorize the rehabilitation program provided for in Article 243 of the Debtor Rehabilitation and Bankruptcy Act or the person pays the duty in arrears according to the duty payment schedule fixed under the rehabilitation program;
3. Where the Customs Information Revelation Deliberative Committee provided for in Article 116-2 (2) of the Act finds it useless and inappropriate to publish the list of names of delinquent duty payers taking into account their properties, whether they are minors or not, or other circumstances, etc.

(2) The Commissioner of the Korea Customs Service shall, when he/she notifies a person that he/she is subject to the disclosure the list of names of delinquent duty payers pursuant to Article 116-2 (3) of the Act, instruct them to pay their duties in arrears and where anyone falls under the grounds that he/she is excluded from the publication of the list of the names of delinquent duty payers, the Commissioner of the Korea Customs Service shall request him/her to furnish materials vindicating himself/herself.

(3) Matters to be included in the list of names of delinquent duty payers shall include the names of the delinquent duty payers, firm names (including the names of corporations), the ages, occupations and domiciles of the delinquent duty payers, the details of the amount in arrears, the payment deadline and the summary of arrearages, etc. and where the delinquent duty payer is a corporation, the representative of such corporation shall be included in the publication.

[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 chairperson 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 two 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 chairperson and resolve with the concurrent vote of a majority of those present.
- (4) Necessary matters concerning the composition and operation of the Committee other than those 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 cases which are prescribed by Presidential Decree in Article 118 (1) 6 shall refer to any of the following cases: *<Amended by Presidential Decree No. 18333, Mar. 29, 2004; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where the amount of customs duties, which comes short due to an indisputable mistake such as an error in the calculation of the amount of customs duties to be paid, is collected;
2. Where customs duties are collected in compliance with a correction request made by the Board of Audit and Inspection under Article 33 of the Board of Audit and Inspection Act;
3. Where a duty payer is dishonored, suspends or closes his/her business, or goes bankrupt;

4. Where a deficient amount of customs duties is collected after the tariff rate or the HS code of the tariff classification that are to be applied to export and import goods is changed by the classification of items determined by a resolution of the Tariff Classification Committee provided in Article 85 of the Act.

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; Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 23602, Feb. 2, 2012>*

1. Where a new interpretation is required in connection with the directives, rules, publication, etc. of the Commissioner of the Korea Customs Service;
2. Where the amount of customs duties is 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 any underpaid customs duty is collected as the tariff rate or the code number of the Schedules of Tariff Rates in the classification of goods applicable to export and import goods is changed in accordance with the classification of items and authoritative interpretation by the director of the Customs Valuation and Classification Institute;
4. Where the same person liable to pay customs duties has to file a request for pre-assessment review with at least two heads of the relevant customhouse in connection to the same matter.
5. Cases which do not fall under any of subparagraphs 1 through 4 and the amount for which the pre-assessment review is requested is not less than 500 million won.

Article 144 Deleted. *<by Presidential Decree No. 23602, Feb. 2, 2012>*

SECTION 2 Examination and Adjudication

Article 145 (Request for Examination)

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

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

(2) If deemed necessary for preparing a written opinion pursuant to Article 122 (3) of the Act on a request for examination under paragraph (1) or for an examination and decision under Article 127 of the Act, the head of a customs house or the Commissioner of the Korea Customs Service may, either *ex officio* or upon the application by a person who has requested for examination, ask questions as to 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) "Any interested person prescribed by Presidential Decree" in the former part of Article 119 (7) of the Act means any of the following persons: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

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) Where 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 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)

Where 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 following matters:

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;
4. Other necessary matters.

Article 147 (Functions, Composition, etc. of Customs Appeal Committees)

- (1) Matters subject to deliberation by the Customs Appeal Committees established under Article 124 of the Act (hereinafter referred to as "Customs Appeal Committee") shall be classified as follows:
1. The Customs Appeal Committee established in the Korea Customs Service: Matters for which a pre-assessment review is filed with the Commissioner of the Korea Customs Service under the proviso to Article 118 (2) of the Act and matters for which a request for evaluation is filed with the Commissioner of the Korea Customs Service under Article 122 of the Act;
 2. The Customs Appeal Committee established respectively 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 (hereinafter referred to as "Main Customs"): Matters for which a pre-assessment review is filed under the main sentence of Article 118 (2) of the Act and matters for which an objection is filed under Article 132 of the Act;

3. The Customs Appeal Committee established in the customs other than Main Customs provided in subparagraph 2 (hereinafter referred to as "Front Line Customs"): Matters for which an objection is filed under Article 132 of the Act.

(2) Each Customs Appeal Committee shall consist of the members classified in the following subparagraphs, including one chairperson:

1. The Customs Appeal Committee established in the Korea Customs Service: No more than 29 members;
2. The Customs Appeal Committee established in each Main Customs: No more than 22 members;
3. The Customs Appeal Committee established in each Front Line Customs: No more than 15 members.

(3) The chairperson of each Customs Appeal Committee shall be the person classified in the following:

<Amended by Presidential Decree No. 23827, Jun. 5, 2012>

1. The Customs Appeal Committee established in the Korea Customs Service: The Deputy Commissioner of the Korea Customs Service;
2. The Customs Appeal Committee established in each Main Customs: The head of each Main Customs;
3. The Customs Appeal Committee established in each Front Line Customs: The head of each Front Line Customs.

(4) Members of each Customs Appeal Committee shall be the persons classified in the following: <Amended by Presidential Decree No. 23827, Jun. 5, 2012>

1. The Customs Appeal Committee established in the Korea Customs Service:
 - (a) No more than eight persons designated by the Commissioner of the Korea Customs Service from among public officials of Grade III or public officials belonging to the senior civil service who belong

to the Korea Customs Service;

- (b) No more than 20 persons commissioned by the Commissioner of the Korea Customs Service from among persons with abundant knowledge and experience relating to law, finance and economy;

2. The Customs Appeal Committee established in each Main Customs:

- (a) No more than six persons designated by the chairperson from among the public officials of Grades III through V belonging to the relevant Main Customs;
- (b) No more than 15 persons commissioned by the chairperson from among persons with abundant knowledge and experience relating to law, finance and economy;

3. The Customs Appeal Committee established in each Front Line Customs:

- (a) No more than four persons designated by the chairperson from among the public officials of Grades V or VI belonging to the relevant Font Line Customs;
- (b) No more than ten persons commissioned by the chairperson from among persons with abundant knowledge and experience relating to law, finance and economy;

(5) The chairperson of each Customs Appeal Committee shall represent the relevant Customs Appeal Committee and exercise the overall control of its affairs.

(6) If the chairperson of each Customs Appeal Committee is unable to perform his/her duties due to any extenuating circumstances, a member designated, in advance, by the chairperson of the relevant Customs Appeal Committee (referring to the Commissioner of the Korea Customs Service in the case of the Customs Appeal Committee established in the Korea Customs Service; hereafter the same shall apply in this Article) from among the members set forth in each subparagraph of paragraph (4) shall act on his/her behalf. <Amended by Presidential Decree No. 23827, Jun. 5, 2012>

(7) The term of office of members commissioned by the chairperson of each Customs Appeal Committee among the members referred to in the subparagraphs of paragraph (4) (hereinafter referred to as "civilian members") shall be two years.

(8) If a civilian member is deemed ineligible for a member due to a mental or physical disorder, delinquency of

duties, injury to dignity, or on any other ground, the chairperson of the relevant Customs Appeal Committee may revoke the commission during his/her term of office.

[This Article Wholly Amended by Presidential Decree No. 23602, Feb. 2, 2012]

Article 148 (Meetings of Customs Appeal Committees)

- (1) Where a deliberation is required pursuant to Article 147 (1), the chairperson of each Customs Appeal Committee shall convene a meeting fixing a date and preside over such meeting.
- (2) A meeting of each Customs Appeal Committee shall be attended by the chairperson and the persons designated by the chairperson for each meeting as classified in the following, but at least one half of the civilian members shall be included therein:
 1. The Customs Appeal Committee established in the Korea Customs Service: Ten persons;
 2. The Customs Appeal Committee established in each Main Customs: Eight persons;
 3. The Customs Appeal Committee established in each Front Line Customs: Six persons.
- (3) When the chairperson of each Customs Appeal Committee has fixed the date pursuant to paragraph (1), he/she shall notify the members designated under paragraph (2) and the relevant applicant or the person who has filed an application thereof by no later than seven days before the fixed date.
- (4) A meeting of each Customs Appeal Committee shall be held with the attendance of a majority of the constituent members and pass a resolution with the concurrent vote of a majority of those present.
- (5) The chairperson and members of each Customs Appeal Committee shall be prohibited from getting involved in any agenda in which they are interested.
- (6) Each chairperson shall report the matters decided upon at a meeting of each Customs Appeal Committee to the Commissioner of the Korea Customs Service.
- (7) To deal with the administrative affairs of each Customs Appeal Committee, each Committee shall have one secretary, who shall be designated from among public officials belonging thereto.

[This Article Wholly Amended by Presidential Decree No. 23602, Feb. 2, 2012]

Article 149 (Allowances)

Members other than public officials who attend meetings of the Customs Appeal Committee, may be paid

allowances within budgetary limits.

Article 150 (Insignificant Matters)

"Cases which fall under the causes prescribed by Presidential Decree" in the proviso to Article 127 (1) of the Act means any of the following cases: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where 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 undergoing a deliberation at the Customs Appeal Committee;
7. Where it is deemed helpful to make a quick decision and to submit the case to the higher court for deliberation in the interest of remedy for violation of a private right.

Article 151 (Notice of Decision, etc.)

- (1) Where a decision is made or a notice on the method of appealing dissatisfaction is served under Article 128 or 129 of the Act, such notice shall be made by a person or a registered mail and in case that such notice is made by a person, a receipt shall be collected.
- (2) Where 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) Where the publication is made under paragraph (2), the notice on the decision, etc. shall be deemed received after the expiration of ten days from the day on which such publication is made.

Article 152 (Redemption in Cases of Wrong Notice of Method of Appealing Dissatisfaction)

- (1) Where a notice on the method of appealing dissatisfaction under Article 129 of the Act is omitted or filed with a wrong agency for dissatisfaction, but if a dissatisfaction request is filed with the notified agency or with an agency that has taken the relevant disposition, such dissatisfaction request shall be deemed filed with a lawful agency.
- (2) Any agency that receives the request referred to in paragraph (1) shall promptly turn over such request to a lawful agency and serve a notice thereon on a requester.

Article 153 (Statement of Opinion)

- (1) Any person who intends to state his/her opinion under the provisions of Article 130 of the Act shall file a written application stating his/her domicile or residence, name and a summary of what he/she intends to state with the relevant ruling agency. *<Amended by Presidential Decree No. 19993, Apr. 5, 2007>*
- (2) The ruling agency shall, upon receiving the application referred to in paragraph (1), serve 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 Customs Appeal 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;
 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 deemed 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 opinions intended to be stated may substitute for the statement of

opinion under Article 130 of the Act.

Article 153-2 Deleted. <by Presidential Decree No. 23602, Feb. 2, 2012>

Article 154 (Provisions to be Applied *Mutatis Mutandis*)

Articles 145, 146, and 150 through 153 shall apply *mutatis mutandis* to filing of objections.

[This Article Wholly Amended by Presidential Decree No. 23602, Feb. 2, 2012]

CHAPTER VI MEANS OF TRANSPORTATION

SECTION 1 Open Ports

Article 155 (Designation of Open Ports)

- (1) The open ports (hereinafter referred to as "open ports") referred to in Article 133 of the Act are as shown in the following table: <Amended by Presidential Decree No. 23602, Feb. 2, 2012; Presidential Decree No. 23827, Jun. 5, 2012>

Classification	Name of Open Port
Port	Incheon Port, Busan Port, Masan Port, Yeosoo Port, Mokpo Port, Gunsan Port, Jeju Port, Mukho Port, Ulsan Port, Tongyeong Port, Samcheonpo Port, Jangseungpo Port, Pohang Port, Janghang Port, Okpo Port, Gwangyang Port, Pyeongtaek-Dangjin Port, Daesan Port, Samcheok Port, Jinhae Port, Wando Port, Sokcho Port, Gohyeon Port, Gyeongin Port
Airports	Incheon Airport, Gimpo Airport, Gimhae Airport, Jeju Airport, Cheongju Airport, Daegu Airport, Muan Airport

- (2) The boundary of an open port shall be as prescribed in 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)

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 passage- ways for international vessels and airliners, which are separate from those for domestic vessels and airliners and also controlling the immigration of passengers;

3. In the case of airport, medium-sized airliners are expected to land at such airport not less than six 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 following matters 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;
 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 following matters shall be entered in the port entry report of any vessel under Article 135 of the Act:
 1. The type, registration mark, name, nationality, port of registry, gross tonnage, and net tonnage of the vessel;
 2. The port of departure, ports of call, port of final destination, estimated date and time of port entry, and port of next destination of the vessel;
 3. The number and tonnage of laden goods, and the number of passengers, crew and transit passengers.
- (2) The following matters shall be entered in the list of supplies of any vessel referred to in Article 135 of the Act:
 1. The type, registration mark, name, nationality, and date of port entry of the vessel;
 2. The names, quantity and prices of vessel supplies.
- (3) The following matters shall be entered in the list of passengers of any vessel described in Article 135 of the Act: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*
 1. The type, registration mark, name, nationality, and date of port entry of the vessel;
 2. The nationalities, names, dates of birth, passport numbers, port of embarkation, and port of disembarkation of passengers.
- (4) The following matters shall be entered in the list of crew of any vessel as prescribed in Article 135 of the Act:
 1. The type, registration mark, name, nationality, and date of port entry of the vessel;
 2. The nationalities, names, crew's book numbers or passport numbers, port of embarkation, and port of disembarkation of crew.
- (5) The following matters shall be entered in the list of personal effects of crew as prescribed in Article 135 of the Act:
 1. The type, registration mark, name, nationality, and date of port entry of the vessel;
 2. The nationalities, names, and crew's book numbers or passport numbers of crew;
 3. The names, quantity and prices of personal effects.

(6) The following matters shall be entered in the cargo manifest under Article 135 (1) of the Act: *<Newly Inserted*

by Presidential Decree No. 17833, Dec. 30, 2002>

1. The name of ship and the quantity of cargoes laden therewith;
2. The names of cargoes, and consignees and shippers thereof;
3. Other information pertaining to the ship's log and cargoes, which is deemed necessary by the Commissioner of the Korea Customs Service.

(7) The following matters shall be entered in the port entry report of aircraft under Article 135 of the Act:

1. The type, registration mark, name, nationality, airport of disembarkation, and date and time of airport entry;
2. The place where goods are loaded, number and tonnage of cargoes;
3. The number of passengers, crew and transit passengers.

(8) The provisions of paragraphs (2) through (6) shall apply mutatis mutandis to the list of aircraft supplies, the list of passengers, the list of crew, the list of personal effects of the crew and the cargo manifest provided for in Article 135 of the Act. *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*

Article 158 (Application for Departure Permit)

(1) Any vessel shall, when it is intended to depart from an open port under Article 136 (1) of the Act, file an application stating the following matters with the head of the relevant customhouse:

1. The type, registration mark, name, nationality, gross tonnage and net tonnage of the vessel;
2. The number of passengers, crew and transit passengers;
3. The number and tonnage of laden goods;
4. The place of loading goods, port of destination, and date and time of departure.

(2) Any aircraft shall, when it is intended to depart from an open port

under Article 136 (1) of the Act, file an application stating the following matters with the head of the relevant customhouse:

1. The type, registration mark, name and nationality;

2. The number of passengers, crew and transit passengers;
 3. The number and tonnage of laden goods;
 4. The place of loading goods, the airport of destination and the date and time of departure.
- (3) The list of goods under Article 136 (2) of the Act shall be prescribed by the Commissioner of the Korea Customs Service.

Article 158-2 (Access to Passenger Reservation Data)

- (1) The head of the relevant customhouse shall grant the inherent individual identification numbers to his/her customs officers (referring to persons 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 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 customhouse 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 "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 customhouse may keep the passenger reservation data separately managed pursuant to paragraph (2) (hereafter in this Article referred to as "preservative passenger reservation data") for three years from the date on which the passengers embark or disembark their airliners or ships: Provided, That the head of the relevant customhouse may keep the preservative passenger reservation date for five years with respect to anyone who falls under any of the following subparagraphs: <Amended by Presidential Decree No. 23845, Jun. 7, 2012>
 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 customhouse or who is sentenced to a fine or a heavier punishment since he/she has imported or exported goods on which an embargo is imposed in violation of Article 234 of the Act, or has tried to import or export such goods;

2. One who is subject to the disposition of notification taken by the Commissioner of the Korea Customs Service or the head of the relevant customhouse or who is sentenced to a fine or a heavier punishment since he/she has violated Article 241 (1) and (2) of the Act, or has tried to export, import or return the goods falling under any of the following items in violation of Article 241 (1) and (2) of the Act:

(a) Narcotics provided for in the Act on the Control of Narcotics, etc.;

(b) Firearms, swords, explosives, electronic entoleters and crossbows provided for in the Control of Firearms, Swords, Explosives, etc. Act;

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 customhouse:

(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;

(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.;

(ii) Firearms, swords, explosives, electronic entoleters and cross- bows 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 prior approval therefor from the head of the relevant customhouse 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 following matters:

1. Contents of the calamity, etc., the date and time of its occurrence and the date and time of its termination;
2. The act performed due to the calamity, etc.;
3. The matters of Article 166 (1) 2 and 3.

Article 160 (Report on Entry into Foreign Open Port)

(1) The report as prescribed in Article 139 of the Act shall be a report stating the following matters:

1. The type, name, registration mark, nationality, gross tonnage, and net tonnage or weight of vessel and aircraft;
2. The name of the open port which any vessel or aircraft enters into;
3. The period of mooring or stopover in the open port;
4. The reason for mooring or stopover in the open port;
5. Any goods loaded in the open port.

(2) The provisions of Article 158 (3) shall apply mutatis mutandis to the list of goods as prescribed in Article 139 of the Act.

Article 161 (Application for Permit of Loading and Unloading Goods)

(1) Any person who intends to obtain permission for loading, unloading or transshipping goods under the proviso to Article 140 (1) of the Act shall file an application stating the following matters with the head of the relevant customhouse:

1. The type, name, nationality and the date of port entry;
2. The classification of the relevant goods by domestic and foreign goods, names, quantity and prices of such goods;
3. The kind, notation, identification number and number of packages;
4. The reason for the application.

(2) Any person who intends to load, unload or transship goods under Article 140 (2) of the Act shall file a

declaration stating the following matters with the head of the relevant customhouse and produce a declaration completion certificate to customs officers on the spot: Provided, That in cases of export goods, the submission of a list of such goods may be substituted for such declaration as prescribed by the Commissioner of the Korea Customs Service, and in cases of aircraft, a verbal declaration to the customs officer on the spot may be substituted for such declaration: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002>*

1. The name of vessel or aircraft;
2. The names, number and weight of goods;
3. The number of passengers;
4. The agency of vessel or aircraft;
5. The work classification and the scheduled work period.

(3) The loading and unloading passage under Article 140 (3) of the Act shall be designated and published by the head of the relevant customhouse.

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

1. The classification of the relevant goods by domestic and foreign goods, names and quantity of such goods;
2. The kind and number of packages;
3. The name of laden vessel or laden aircraft and the loading and unloading period;
4. The address and name of the owner of goods;
5. The reason for the application.

(5) The head of the relevant customhouse may, when permission is granted or an application is filed in connection with any of the following cases, 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;
4. Where an export declaration is accepted under Article 248 of the Act.

Article 162 (Declaration for Temporal Landing of Foreign Goods)

- (1) Any person who intends to temporarily land foreign goods under subparagraph 1 of Article 141 of the Act shall file a report stating the following matters with the head of the relevant customhouse and produce a report completion certificate to customs officers on the spot:
1. The type, name and nationality of vessel or aircraft;
 2. The date of entry into open port;
 3. The date and time, and period for which it is intended to land foreign goods;
 4. The name, quantity and price of goods intended to be landed, and the kind, notation, identification number and number of packages;
 5. The final destination of goods intended to be landed;
 6. The place where the landed goods are intended to be stored.
- (2) The scope of the place where the landed foreign goods are stored shall be determined by the Commissioner of the Korea Customs Service.

Article 163 (Reporting on Boarding Vessel or Aircraft)

- Any person who intends to board a vessel or aircraft under subparagraph 2 of Article 141 of the Act shall file a report stating the following matters with the head of the relevant 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;
 3. Reasons for boarding vessel or aircraft and the period therefor.

Article 164 (Reporting on Transshipment and Transfer)

Any person who intends to transship or multiply transship goods, or transfer persons under subparagraph 3

of Article 141 of the Act shall file a report, stating the following matters with the head of the relevant 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;
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;
5. Reasons for application.

Article 166 (Loading, Unloading and Transshipping of Vessel or Aircraft Supplies, etc.)

(1) Any person who intends to obtain permission for loading, unloading and transshipping goods onto or from any foreign trade vessel or any foreign trade aircraft under Article 143 (1) of the Act shall file an application stating the following matters with the head of the relevant customhouse:

1. The type, registration mark, name, nationality and the number of passengers and crew of vessel or

aircraft;

2. The classification of the relevant goods by domestic and foreign goods, the name, standard, quantity and price of the relevant goods;
3. The kind, notation, identification number and number of packages of the relevant goods;
4. The scheduled place, date and time and method involving the loading, unloading and transshipping of the relevant goods.

(2) In cases of the goods referred to in paragraph (1), if such goods are foreign goods falling under Article 143 (2) of the Act, the application shall include the following matters in addition to the matters of each subparagraph of paragraph (1) and be appended by the invoice thereof and a document necessary to determine a dutiable value thereon:

1. The number of the bill of lading or airway bill of the relevant goods;
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 customhouse 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 customhouse.

(5) Any person who has obtained permission in accordance with paragraph (1) shall, when he/she completes the loading, unloading or trans- shipping 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 get- ting the captain of the relevant vessel or aircraft to sign the written permission. In this case, the head of the relevant customhouse may, when 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 customhouse, 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 following matters 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;
3. The scheduled date and time of disposal, the method of disposal and reasons for disposal.

Article 167 (Conversion of Vessel or Aircraft)

(1) Any person who intends to obtain approval as prescribed in Article 144 of the Act shall file an application stating the following matters with the head of the relevant 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;
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)

"Vessel or aircraft prescribed by Presidential Decree" in the proviso to Article 146 of the Act means any of the following: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. A warship or military aircraft;
2. A vessel or an aircraft used exclusively by the head of a State or any diplomatic mission representing the Government.

Article 168-2 (Management of Aircraft Navigating Domestically for Transfer Only)

The head of a customhouse may simplify procedures or take other necessary measures for any of the following matters, as prescribed by the Commissioner of the Korea Customs Service, pursuant to Article 146 (2) of the Act:

1. A port entry report prescribed in Article 135 (1) of the Act;
2. Application for departure permission under Article 136 (1) of the Act;
3. Other matters necessary for customs clearance and surveillance of the tourists coming from and going to foreign countries on board an aircraft navigating domestically for transfer only and the goods prescribed in Article 241 (2) 1 of the Act.

[This Article Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012]

SECTION 3 Vehicle

Article 169 (Reporting on Arrival of Border-Crossing Vehicle)

- (1) An arrival report under Article 149 (1) of the Act shall state the following matters:
1. The name of the company, nationality, type, registration mark, number, the number of total cargo cars and the number of total passenger cars of the vehicle;
 2. The first place of departure, the place of transit, the final place of departure, the date and time of arrival, the scheduled date of departure and the place of destination of the vehicle;
 3. Contents, number and weight of loaded goods;
 4. The number of passengers and crew as well as transit passengers.
- (2) The provisions of Article 157 (2) through (5) shall apply mutatis mutandis to the list of vehicle supplies, the

list of passengers, the list of crew and the list of crew' personal effects under Article 149 (1) of the Act.

(3) "Goods prescribed by Presidential Decree" in the main sentence of Article 149 (3) of the Act means anything falling under any one of the following subparagraphs: *<Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*

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

Article 170 (Reporting on Departure of Vehicle Running across National Border)

(1) A departure report under Article 150 (1) of the Act shall state the following matters:

1. The name of the company, type, registration mark, identification number, the number of total cargo cars and the number of total passenger cars of the vehicle;
2. The place of departure, the place of transit, the place of destination, the date and time of departure and the date and time of arrival of the vehicle;
3. Contents, number and weight of laden goods;
4. The number of passengers and crew as well as transit passengers.

(2) The list of goods under Article 150 (2) of the Act shall be submitted to the head of the relevant customhouse as prescribed by the Commissioner of the Korea Customs Service.

(3) "Goods prescribed by Presidential Decree" in the main sentence of Article 150 (3) of the Act means anything falling under any one of the following subparagraphs: *<Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*

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

Article 171 (Reporting on Loading and Unloading of Goods)

Any person who intends to load or unload goods under Article 151 (1) of the Act shall file a report stating the following matters with the head of the relevant customhouse and produce a report completion certificate to customs officials on the spot:

1. The number of vehicle;
2. The name, number and weight of goods;
3. The classification of work and a scheduled work period.

Article 172 (Loading, Unloading, or Transshipping Vehicle Supplies)

The provisions of Article 166 shall apply mutatis mutandis to vehicle supplies and goods sold in any vehicle running across the national border under Article 151 (2) of the Act.

Article 173 (Application for Delivery of Certificate with Respect to Road Vehicles)

Any person who intends to have a document certifying a road vehicle which may cross the border under Article 152 (1) of the Act shall file a written application stating the following matters with the head of the relevant customhouse:

1. Type of vehicle and vehicle registration number;
2. Loadage or the number of passengers aboard;
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 following matters 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 cases 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;
4. The kind, identification number and number of packages of the relevant goods.

Article 176 (Reporting on Shipment of Goods into or out of Bonded Area)

(1) A report on the shipment of goods into a bonded area under Article 157 (1) of the Act shall be made in an application stating the following matters:

1. In cases 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;
 - (c) The name of goods, the kind of packages, the number of goods shipped into a bonded area, and the location where such goods are stored;
2. In cases of domestic goods (including goods on which an export declaration is accepted):
 - (a) The date on which goods are shipped into a bonded area;
 - (b) The name of goods, the kind of packages, the number of goods shipped into a bonded area, the location where the goods are stored and the period during which such goods are stored.

- (2) A report on the outbound shipment of goods, on which a report has been filed on their inbound shipment into a bonded area under paragraph (1), shall be by an application stating the following matters:
1. The report number, date, types of, and basis number for outbound shipment;
 2. Freight serial number;
 3. The quantities and weight of outbound shipment.
- (3) In cases falling under each of the following subparagraphs, the head of the relevant customhouse 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;
 - (c) The report on the storage of domestic goods under Article 197 (1);
 2. Where a person who has gotten his/her self-managed bonded area designated under Article 164 of the Act keeps the book on the goods of paragraph (1) 2 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 customhouse 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 customhouse:

1. Matters provided for in subparagraph 2 of Article 175;
2. The place of storage;

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 following matters with the head of the relevant customhouse:

1. The matters 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;
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 following matters with the head of the relevant customhouse and obtain a confirmation thereof from him/her:

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;
5. The date of work completion.

Article 178 (Dismantling and Cutting Work, etc.)

(1) Any person who intends to obtain approval for the work of dismantling and cutting goods under Article 159 (2)

of the Act shall file an application stating the following matters with the head of the relevant customhouse:

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

(2) When the work of paragraph (1) is completed, a report stating the following matters shall be filed with and

confirmed by the head of the relevant customhouse:

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 customhouse);
4. Other reference materials.

Article 179 (Application for Approving Disposal of Stored Goods)

- (1) Any person who intends to obtain approval under Article 160 of the Act shall file an application stating the following matters with the head of the relevant customhouse:
 1. The matters of each subparagraph of Article 175;
 2. The place where goods are stored;
 3. The scheduled date on which the goods are disposed of, the method of disposing of such goods and reasons for disposing of such goods.
- (2) Any person who obtains the approval referred to in paragraph (2) shall report the name, standard, quantity and price of remainders when the disposal work is completed to the head of the relevant customhouse.

Article 180 (Reporting on Stored Goods Destroyed or Lost)

- (1) When foreign goods stored in a bonded area or other area than a bonded area under the proviso to Article 155 (1) of the Act are destroyed or lost, a report stating the following matters shall be filed with and confirmed by the head of the relevant customhouse:
 1. The matters of each subparagraph of Article 175;
 2. The place where the goods are stored;
 3. The date on which the goods are destroyed or lost and reasons therefor.
- (2) The report referred to in paragraph (1), in cases of the goods stored in a licensed bonded area, shall be filed in the name of the operator thereof and in cases of the goods stored in a non-licensed bonded area, in the name of the custodian thereof.

Article 181 (Reporting on Stolen or Lost Goods)

(1) When any goods stored in a bonded area or in a non-bonded area under the proviso to Article 155 (1) of the Act are stolen or lost, a report stating the following matters shall be filed with the head of the relevant customhouse:

1. The matters of each subparagraph of Article 175;
2. The place where the goods in question are stored;
3. The date on which the goods are stolen or lost and reasons therefor.

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

Article 182 (Reporting on Goods in Abnormality)

(1) When the goods stored in a bonded area or in a non-bonded area under the proviso to Article 155 (1) of the Act are in abnormality, a report stating the following matters shall be filed with the head of the relevant customhouse: *<Amended by Presidential Decree No. 17467, Dec. 31, 2001>*

1. The matters of each subparagraph of Article 175;
2. The place where the goods are stored;
3. The date on which their abnormality is found;
4. Reasons for the abnormality and the state of such abnormality.

(2) Article 180 (2) shall apply *mutatis mutandis* to reports filed under paragraph (1).

Article 183 (Application for Permission to Ship Goods out of Bonded Area as Samples)

Any person who intends to obtain permission under Article 161 (1) of the Act shall file an application stating the following with the head of the relevant customhouse:

1. Matters referred to in the subparagraphs of Article 175;
2. The place where the goods are stored;
3. The objective of shipping the goods out of a bonded area and the shipment period.

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

(1) Any person who intends to have his/her bonded area designated as a self-managed bonded area under Article 164 (2) of the Act shall file an application stating the following, accompanied by the registration

certificates of bonded goods caretakers 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;
2. The kind of goods stored therein and the storage capacity of the bonded area.

(2) Matters necessary for the operation of self-managed bonded areas shall be determined by the Commissioner of the Korea Customs Service.

Article 185 (Duties of Bonded Goods Caretakers)

(1) The duties of bonded goods caretakers under Article 165 (4) of the Act shall be as follows: <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

1. To monitor and confirm bonded cargos or domestic goods shipped into or out of a bonded area;
2. To monitor and confirm the management and handling of goods stored in a bonded area;
3. To open and close the gateway of a bonded area and to supervise the management of keys;
4. To supervise the control of persons having access to a bonded area;
5. To ship samples out of a bonded area and to collect them back into the bonded area;
6. To perform duties prescribed by the Commissioner of the Korea Customs Service, which are necessary to manage the bonded goods.

(2) Any person who intends to register himself/herself as a bonded goods caretaker 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 an applicant under paragraph (2) is found to meet the requirements prescribed in Article 165 (1) of the Act, issue him/her a registration certificate of bonded goods caretaker.

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

(5) When the Commissioner of the Korea Customs Service conducts a test in the management of bonded

goods under Article 165 (1) 2 of the Act, he/she shall publicly announce the date and time, place and method of the test, and other necessary matters by no later than 90 days before the test date. <Newly Inserted by Presidential Decree No. 23759, May 1, 2012>

SECTION 2 Designated Bonded Area

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

Article 187 (Designation of Cargo Manager)

- (1) A person who can be designated as a cargo manager under Article 172 (2) of the Act shall be any person who falls under any of the following subparagraphs:
1. The heads of State agencies, who are in charge of directly managing goods;
 2. Nonprofit corporations involved in the customs administration or the management of bonded goods;
 3. Any person whose designation is requested by the owner or manager of relevant facilities (limited to cases where a cargo manager is designated in accordance with the proviso to Article 172 (2) of the Act).
- (2) The head of a customhouse shall designate a cargo manager by the following classifications:
1. A person who falls under paragraph (1) 1: The head of a customhouse shall designate a cargo manager where a person falls under paragraph (1) 1 accepts the request of the head of a customhouse;
 2. A person who falls under paragraph (1) 2 and 3: The head of a customhouse shall designate a cargo manager after examining an application for designation from a person who falls under paragraph (1) 2 and 3. In such cases, a person who falls under paragraph (1) 2 and 3 shall submit such application through an owner or manager of the relevant facilities;
- (3) When the head of a customhouse shall designate a cargo manager pursuant to paragraph (2) 2, the head of a customhouse shall reflect the result of evaluation of the following matters according to the standards for examination determined by the Commissioner of the Korea Customs Service:
1. Experience of handling the bonded cargoes and fulfillment of cargo management system;
 2. Matters in relation to securing licensed managers of bonded goods;

3. Matters on financial soundness such as capital, ratio of liabilities and credit rating;
 4. Other matters prescribed by Ordinance of the Ministry of Strategy and Finance.
- (4) The period of validity of designation of a cargo manager shall be up to five years.
- (5) Any person who intends to be re-designated as a cargo manager shall file an application for re-designation to the head of a customhouse at least one month prior to the expiration of the period of validity under paragraph (4). In such cases, paragraphs (1) through (4) shall apply *mutatis mutandis* to standards and procedures for such re-designation. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>
- (6) The head of a customhouse shall inform, in advance, each person who has obtained designation under paragraph (2) of the fact that he/she shall file an application for re-designation by no later than one month prior to the expiration of the first designation to obtain re-designation and procedures for re-designation by no later than two months prior to the expiration of the first designation by text messaging the same to his/her mobile phone, or through e-mail, facsimile, telephone, or by a document, etc. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>
- (7) Detailed matters necessary for standards for examinations and procedures for designation or re-designation of cargo managers, etc. under paragraphs (2) through (6) shall be prescribed by Ordinance of the Ministry of Strategy and Finance. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

[This Article Wholly Amended by Presidential Decree No. 22816, Apr. 1, 2011]

Article 187-2 (Revocation of Designation of Cargo Manager)

- (1) Where any reason falling under any of the following subparagraphs occurs, the head of a customhouse may revoke the designation of a cargo manager. In such cases, when the head of a customhouse revokes the designation of a person falling under paragraph (1) 3, he/she shall notify the owner or manager of the relevant facilities of such fact in advance:
1. Where a cargo manager is designated by false or other illegal means;
 2. Where a cargo manager falls under any of subparagraphs of Article 175 of the Act;
 3. Where a cargo manager violates a contract concerning cargo management business entered into with the head of a customhouse or the owner or manager of the relevant facilities and causes material hindrance to maintenance of order at the relevant designated place where the goods are stored and safe management of cargoes;

4. Where a cargo manager requests revocation of designation of the relevant designation.

(2) Where the head of a customhouse intends to revoke the designation of cargo manager under the provisions of paragraphs (1) 1 through 3, he/she shall hold a hearing.

[This Article Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011]

Article 187-3 (Cargo Manager's Responsibility to Keep Goods in Custody)

Responsibility for keeping goods in custody referred to in the main sentence of Article 172 (2) of the Act means the responsibility of a custodian under Article 160 (2) of the Act and also the responsibility for loading and unloading, repackaging and policing with respect to the custody of the relevant goods.

[This Article Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011]

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 in Article 36 (1) of the Electronic Government Act: *<Amended by Presidential Decree No. 17467, Dec. 31, 2001; Presidential Decree No. 19507, Jun. 12, 2006; Presidential Decree No. 22151, May 4, 2010; Presidential Decree No. 22467, Nov. 2, 2010>*

1. The name, location, structure, the number of buildings and area of the factory;
 2. The work facilities and equipment as well as the work capacity of the factory;
 3. The kind of work that can be performed in the factory;
 4. Raw materials and kinds of manufactured goods;
 5. The period during which the factory is established and operated.
- (3) Any person who intends to renew the license granted under paragraph (1) shall file an application stating the following matters, accompanied by documents prescribed by Ordinance of the Ministry of Strategy and Finance, with the head of the relevant customhouse by one month prior to the expiration of the license period: *<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 23602, Feb. 2, 2012>*
1. Grounds for renewal;
 2. The renewal period.
- (4) The head of the relevant customhouse shall inform, in advance, each person who has obtained a license pursuant to paragraph (1) of the fact that he/she shall file an application for renewal of his/her license by no later than one month prior to the expiration of the license if he/she intends to renew it and the procedure for renewal by no later than two months prior to the expiration of the license by text messaging the same to his/her mobile phone, or through e-mail, facsimile, telephone, or by a document, etc. *<Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>*

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

Requirements for a person to satisfy to obtain a license for establishing and operating a licensed bonded area shall be as follows:

1. He/she shall not have any customs duties or domestic taxes in arrears;
2. He/she shall not fall any ground for disqualification prescribed in the subparagraphs of Article 175 of the Act;
3. He/she shall obtain permission, approval, etc. from the head of the relevant administrative agency

according to the kind if he/she stores, manufactures, displays or sells hazardous goods;

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

Article 190 (Change of Details of Business)

- (1) When the operator of any licensed bonded area intends to change the kinds of stored goods, the kinds of licensed work or the raw materials for work, he/she shall file an application stating grounds therefor with the head of the relevant customhouse to obtain approval therefor.
- (2) The operator of a licensed bonded area, if he/she is a corporation, shall, when he/she alters registered matters, file without delay a notice stating a summary thereof with the head of the relevant 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/her: Provided, That where the storage capacity or the licensed work capacity is altered within the scope of the licensed area, the report thereof shall be deemed approval therefor. *<Amended by Presidential Decree No. 17467, Dec. 31, 2001>*
- (2) The operator of the licensed bonded area shall, when the work referred to in paragraph (1) is completed, notify the head of the relevant 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 following matters 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;
 4. Scheduled date on which the shipment of stored goods out of the licensed bonded area is completed.
- (2) The operator of any licensed bonded area shall, when he/she intends to continuously suspend the operation of such licensed bonded area for not less than 30 days, serve a notice stating the following matters on the head of the relevant customhouse and if he/she intends to resume the operation of the licensed bonded area, he/she shall notify the head of the relevant customhouse of the fact:
 1. The kind, name and location of the licensed bonded area;
 2. Reasons for the suspension thereof and the suspension period.

Article 193-2 (Calculation of Penalty Charge in lieu of Suspension of Shipment of Goods into Licensed Bonded Area)

- (1) The amount of penalty charge imposed pursuant to Article 178 (3) of the Act shall be calculated by multiplying the amount under subparagraph 2 by the period under subparagraph 1:
 1. Period: Number of days of suspension of shipping the goods into licensed bonded area calculated under Article 178 (1) of the Act (one month shall be deemed 30 days);
 2. The amount of penalty charge per day: 1/6,000 of the annual sales amount as a result of the operation of the relevant licensed bonded area.
- (2) The annual sales amount under paragraph (1) 2 shall be calculated pursuant to the following classifications:
 1. Where an operator of the licensed bonded area begins operating the licensed bonded area before the relevant business year commences: Average sales amount for immediately preceding three business

years (where the period from the date when the operator begins operating the licensed bonded area to the date when the immediately preceding business year ends is less than three years, the amount calculated by converting the sales amount accruing from the first day of operation to the last day of the operation into the annual average sales amount;

2. Where an operator of the licensed bonded area begins operating the licensed bonded area during the relevant business year: Amount calculated by converting the sales amount accruing from the date when the operator begins operating the licensed bonded area to the date when the grounds arise for disposition such as suspension of shipping the goods into the licensed bonded area into the annual sales amount;

[This Article Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011]

- (3) The head of a customhouse may increase or decrease the amount of penalty charge by up to 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.: Provided, That if the penalty charge is aggregated, the total amount of the relevant penalty charge shall not exceed 3/100 of the annual sales amount calculated under paragraph (2).
- (4) Article 285-7 shall apply mutatis mutandis to the imposition and payment of the penalty charge under paragraph (1). In such cases, "the Commissioner of the Korea Customs Service" shall be deemed "the head of a customhouse."

Article 194 (Reporting on Succession of License)

- (1) Any successor or a successor corporation that intends to continue the operation of a licensed bonded area under Article 179 (3) of the Act shall file a report on the succession of the licensed bonded area with the statement describing the kind, name and location of the licensed bonded area, appended by documents falling under each of the following subparagraphs, with the head of the relevant customhouse:
 1. A document that makes it possible to confirm the successor or the successor corporation;
 2. A document, prescribed by the Commissioner of the Korea Customs Service, which makes it possible to

confirm whether the license requirements under Article 174 (3) of the Act are met or not.

- (2) The head of the relevant customhouse 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 customhouse 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 customhouse deems them unnecessary.
- (3) The gateway of any licensed bonded area shall be locked. In this case, the head of the relevant customhouse may, when deemed necessary, get a place locked double and one of the two keys kept by a customs officer.
- (4) The manager of a designated bonded area or the operator of a licensed bonded area shall stringently control his/her employees' access to the bonded areas.

Article 196 Deleted. <by Presidential Decree No. 22086, Mar. 26, 2010>

Article 197 (Reporting on Storage of Domestic Goods, etc.)

- (1) Any person who intends to file a report under Article 183 of the Act shall file a report stating the matters falling under each of the following subparagraphs with the head of the relevant customhouse:
1. The matters of Article 176 (1) 2;
 2. Reasons for storing goods in a bonded warehouse;
 3. The place where the goods are produced or manufactured.
- (2) Any person who intends to obtain approval under Article 183 (3) of the Act shall file an application stating the following matters with the head of the relevant 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 customs house may allow omitting a report on the shipment of goods into or out of a bonded warehouse under Article 176.

Article 198 (Obligation of Bonded Warehouse Operator to Keep Books)

The operator of any bonded warehouse shall keep a book on the stored goods and enter the following matters in the book: Provided, That in cases of goods as prescribed in Article 177 (1) 1 (c) of the Act, the keeping of a book and matters entered in such book may be omitted or simplified in part as prescribed by the Commissioner of the Korea Customs Service:

1. The name, quantity and price of goods shipped into or out of a bonded warehouse, the classification of such goods into domestic and foreign goods and the kind, notation, identification number and number of packages;
2. The date on which goods are shipped into or out of a bonded warehouse and report number;
3. Goods for which maintenance or supplementary work is done, the classification of materials used for such work into domestic and foreign materials, the name, quantity and price of such goods and materials, and the kind, notation, identification number and number of packages;
4. The kind of maintenance or supplementary work, the date on which such work is done and the approval number;
5. The date on which the inspection of maintenance or supplementary work is completed.

Article 199 (Scope 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 the following:

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 herefrom;
 3. Goods that are used to pack up goods produced in the relevant bonded factory.
- (2) The raw materials used in a bonded factory shall be goods whose quantity required to produce manufactured goods in the relevant bonded factory (hereinafter referred to as "required quantity of raw materials") can be objectively calculated.
- (3) The head of the relevant 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 the following matters 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;

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 customhouse may, when deemed necessary in light of the nature of business and the kinds of goods, get part of matters required to be entered in the report omitted.

[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 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 (Reporting on Use of Goods Shipped into Bonded Factory)

Any person who intends to file a report on the use of goods shipped into a bonded factory under Article 186 (1) of the Act shall file a report stating the following matters before such goods are used with the head of the relevant customhouse:

1. The matters of each subparagraph of Article 246 (1);
2. The name, standard, quantity and price of such goods;
3. The place where such goods are stored.

Article 203 (Application for Approving Work to be Done Outside Bonded Factory)

(1) Any person who intends to obtain approval for the work to be done outside a bonded factory under Article 187 (1) of the Act shall file an application stating the following matters with the head of the relevant customhouse:

1. Deleted; <by Presidential Decree No. 18333, Mar. 29, 2004>

2. The kind, period and place of bonded work;

3. Reasons for the application;

4. The name, standard and quantity of goods produced through the relevant work.

(2) The head of the relevant customhouse may, if it is deemed necessary due to a calamity and other unavoidable grounds, alter the period or place of bonded work to be done outside a bonded factory upon an application.

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

Article 204 (Approval for Mixed Use of Domestic and Foreign Goods)

(1) Any person who intends to obtain the approval under the proviso to Article 188 of the Act shall file an application stating the following matters with the head of the relevant customhouse:

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

2. The period of bonded work for which approval is sought and reasons therefor.

(2) The approval referred to in paragraph (1) shall be granted only when the name, standard, quantity and mortality of foreign and domestic goods used for the relevant work are confirmed based on the nature and process, etc. of such work and the duty base as prescribed in paragraph (4) can be determined.

(3) Where the name and standard of foreign and domestic goods intended to be used altogether are identical and the goods of the same kind with the same mortality are used altogether from among the matters approved under paragraph (1), the head of the relevant customhouse may get application for a new approval thereof omitted.

(4) When foreign and domestic goods are used altogether in accordance with the proviso to Article 188 of the Act, the portion equivalent to the ratio of the price (referring to the quantity in cases of goods subject to specific duties) of foreign goods from among goods manufactured using such foreign and domestic goods as raw materials and materials shall be deemed goods arriving in Korea from a foreign country.

Article 205 (Methods, etc. of Applying for 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 customhouse, stating the following matters: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*
1. The matter referred to in each subparagraph of Article 175;
 2. The standard of foreign goods used as raw materials and the place where such foreign goods are produced or manufactured;
 3. Reasons for the application;
 4. Intended period of 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 cases where the head of the relevant customhouse deems the existence of unavoidable grounds:
1. The evidential document as prescribed in Article 186 (2) of the Act;
 2. The invoice of the relevant goods or any document that may be substituted for such invoice.
- (3) "Standards prescribed by Presidential Decree" as referred to in Article 189 (2) of the Act means as follows: *<Newly Inserted by Presidential Decree No. 20624, Feb. 22, 2008>*
1. The ratio of the amount of exported goods out of total goods produced and sold in the latest two years shall be 50/100 or larger;
 2. Standards, which are 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 following matters in such book:
1. The classification of goods shipped into or out of the bonded factory into domestic and foreign goods, the name, standard and quantity of the goods, and the kind, notation, identification number and number of packages, the date on which goods are shipped into or out of the bonded factory and report numbers;
 2. The classification of goods used for the work into domestic and foreign goods, the name, standard and

quantity of the goods, the kind, notation, identification number and number of packages, and date on which goods are used;

3. The notation, number, name, standard, quantity of goods produced through the bonded work, and the date of inspection;

4. Where approval is obtained for the mixed use of foreign and domestic goods, the matters falling under each of the following items:

(a) The date of approval;

(b) The notation, number, name, standard and quantity of goods used altogether and goods produced thereby, the classification of domestic and foreign goods and the date of production;

5. Where goods are shipped out of a bonded factory upon permission for the work outside a bonded factory, the matters falling under each of the following items:

(a) The date of permission and the permission period;

(b) The place into which the goods are shipped out of the bonded factory;

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

(2) The head of the relevant customhouse 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 customhouse may, if deemed necessary, check the inventory of any bonded factory to confirm whether the document submitted under Article 199 (3) to show the calculation of quantities of raw materials required is appropriate 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 to include the act falling under each of the following subparagraphs:

1. The act of altering the nature and form of the relevant foreign goods;
2. The act of consuming goods by the sponsors, exhibitors and visitors in the bonded exhibition.

Article 209 (Limit of Goods Stored in Bonded Exhibition)

- (1) The head of the relevant customhouse may, when deemed necessary, limit the place where goods are stored in a bonded exhibition, check the use of goods therein and get the operator of such bonded exhibition to make necessary reports.
- (2) Any foreign goods stored for sale in a bonded exhibition shall not be used before an import declaration thereon is accepted.
- (3) Where foreign goods stored for exhibition in a bonded exhibition are sold, such goods shall not be delivered before an import declaration thereon is accepted.

Article 210 (Scope of Goods Shipped into Bonded Construction Work Site)

The goods which are permitted to be shipped into any bonded construction work site shall be limited to foreign goods as prescribed in Article 191 of the Act and other similar goods, which are deemed by the head of the relevant customhouse necessary for the construction of the relevant industrial facilities.

Article 211 (Reporting on Completion of Bonded Construction Work)

The operator of any bonded construction work site shall, when the construction work done using goods on which an import declaration is filed under Article 192 of the Act is completed, promptly file a report thereon with the head of the relevant 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 following matters with the head of the relevant customhouse:
 1. The matters of each subparagraph of Article 175;
 2. The period in which the bonded work is completed and the place where the bonded work is done;
 3. Reasons for the application;
 4. The name, standard and quantity of goods to be produced in the bonded work.

(2) The head of the relevant customhouse may, when deemed necessary due to a calamity or unavoidable grounds, alter the period and place of the bonded work outside a bonded construction work site upon a request filed by the operator of a bonded construction work site. *<Amended by Presidential Decree No. 17467, Dec. 31, 2001>*

Article 213 (Management of Bonded Store, etc.)

- (1) The operator of any bonded store shall, when he/she sells goods in his/her bonded store, record matters of sale, personal matters of purchasers and other necessary matters, and keep such records as prescribed by the Commissioner of the Korea Customs Service.
- (2) The Commissioner of the Korea Customs Service may prescribe the method of selling goods and the method of 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 "general bonded area") under Article 197 of the Act shall be an area falling under any one of the following subparagraphs which is subject to designation as it is deemed by the Commissioner of the Korea Customs Service an area necessary to be designated as a

general bonded area: *<Amended by Presidential Decree No. 18039, Jun. 30, 2003; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*

1. An investment area for foreigners under the Foreign Investment Promotion Act;
 2. The industrial complex under the Industrial Sites and Development Act;
 3. Deleted; *<by Presidential Decree No. 19993, Apr. 5, 2007>*
 4. The joint collection and delivery center under the Distribution Industry Development Act;
 5. The logistics complex under the Act on the Development and Management of Logistics Facilities;
 6. Other area, if designated as a general bonded area, expected to have the effect of inducing foreign investments, boosting exports or promoting physical distribution, etc.
- (2) Any person who intends to request the designation of a general bonded area under Article 197 (1) of the Act (hereinafter referred to as a "person who requests the designation of a general bonded area") shall file a designation application stating the following matters, accompanied by a drawing of the relevant area, with the Commissioner of the Korea Customs Service: *<Amended by Presidential Decree No. 18333, Mar. 29, 2004>*
1. The location and area of the relevant area;
 2. Current facilities inside the area and plans to install facilities;
 3. The business plan.
- (3) The Commissioner of the Korea Customs Service shall, when he/she intends to designate a general bonded area ex officio, consult with the head of the central administrative agency concerned or the head of the local government.

Article 214-2 (Designation of Area Scheduled to be Developed into General Bonded Area)

- (1) The Commissioner of the Korea Customs Service may, upon receiving a request from the person who asks for the designation of a general bonded area, designate an area scheduled to function as a general bonded area as an area scheduled to be developed into a general bonded area (hereinafter referred 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 (Reporting on Establishment and Operation of General Bonded Business Place, etc.)

(1) The provisions of Article 188 shall apply mutatis mutandis to the procedures for filing a report on the establishment and operation of a general bonded business place under Article 198 (1) of the Act: Provided, That the Commissioner of the Korea Customs Service may simplify the procedures for filing a report on the establishment and operation of any general bonded business place, including omitting part of the appended documents, taking into account the size and function, etc. of a general bonded business place.

(2) Any person who intends to file a report on altering the general bonded function under Article 198 (3) of the Act shall file a report stating the contents of such alteration with the head of the relevant customhouse.

Article 216 (Procedures for Shipping Goods into or out of General Bonded Area, etc.)

The provisions of Article 176 shall apply mutatis mutandis to the report on the shipment of goods into or out of any general bonded area under Article 199 (1) of the Act.

Article 216-2 (Scope of Foreign Tourists, etc.)

"Persons prescribed by Presidential Decree, such as foreign tourists, etc." in Article 199-2 (1) of the Act means non-residents provided for in Article 3 of the Foreign Exchange Transactions Act (hereinafter referred to as "foreign tourists, etc."): Provided, That any of the following persons shall be excluded herefrom:

<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>

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

[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 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) Where any foreign tourist, etc. intends to have customs duties, etc. he/she pays refunded or remitted when he/she purchases goods in any general bonded area, such foreign tourist, etc. shall put forward a written sales confirmation and present goods he/she purchases to the head of the relevant customhouse having jurisdiction over the departure airport and port (hereinafter referred to as the "head of the relevant customhouse having jurisdiction over the departure airport and port") when he/she departs Korea to have them confirmed.
- (2) The head of the relevant customhouse having jurisdiction over the departure airport and port shall affix a

confirmation seal to the written sales confirmation after confirming the consistency of goods that are presented by any foreign tourist, etc. under paragraph (1) with matters that are entered in the written sales confirmation and deliver such confirmation seal to the foreign tourist, etc. or send it to the seller.

- (3) When any foreign tourist, etc. who takes the delivery of the written sales confirmation under paragraph (2), he/she may put forward such written sales confirmation to the operator of refund service center provided for in Article 216-6 in order to get his/her paid customs duties refunded or remitted: Provided, That where any seller takes the delivery of the written sales confirmation under paragraph (2), he/she shall remit the customs duties that the relevant foreign tourist, etc. pays in the general bonded area when the latter purchases goods to such foreign tourist, etc. within 20 days from the date on which the former takes the delivery of such written sales confirmation.

[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 cases 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;
 2. Where it is confirmed that the seller refunds or remits the relevant customs duties, etc. through the operator of refund service center in accordance with the main sentence of Article 216-4 (3) or he/she remits the relevant customs duties to the relevant foreign tourist, etc. in accordance with the provisions of the proviso to the same paragraph.
- (2) The seller shall, if he/she intends to get customs duties, etc. refunded in accordance with paragraph (1), file an application stating the following matters, accompanied by a written sales confirmation that are confirmed by the head of the relevant 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;
 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.", "duty-free goods" shall be deemed "goods", the "amount corresponding to the amount of tax" shall be deemed "customs duties, etc.", the "seller of duty-free goods" shall be deemed the "seller", the "Commissioner of the National Tax Service" shall be deemed the "Commissioner of the Korea Customs Service", "foreign tourists"

in Article 10-3 of the Special Case Provisions shall be deemed "foreign tourists, etc.", the "amount corresponding to the custom duties" shall be deemed the "customs duties, etc.", the "seller of duty-free goods" shall be the "seller", the "Commissioner of the National Tax Service, the head of competent regional tax office or the head of competent tax office" in Article 14 (2) of the Special Case Provisions shall be deemed the "Commissioner of the Korea Customs Service or the head of jurisdictional customhouse" 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 customhouse;
 3. Facilities and equipment prescribed by Acts and subordinate statutes governing the fire fighting, electricity and the control of hazardous materials, etc.;
 4. Facilities necessary for preventing bonded goods from being stolen and lost.
- (2) Where the facilities and equipment referred to in paragraph (1) temporally fall short of the standards due to a natural calamity or other unavoidable grounds, the operator of the relevant general bonded area shall make such facilities and equipment meet the standards within a period fixed by the Commissioner of the Korea Customs Service.
- (3) The provisions of Articles 177 and 203 shall apply mutatis mutandis to the report on the maintenance or supplementary work or the bonded work under Article 202 (2) of the Act.

Article 218 (Cancellation of Designation of General Bonded Area and Grounds for Suspending Function)

- (1) "Other grounds prescribed by Presidential Decree" in Article 204 (1) of the Act means any of the following cases: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*
1. Where a person who has requested the designation of his/her general bonded area requests the cancellation of such designation;
 2. Where the requirements for designating a general bonded area are extinguished.
- (2) "Other grounds prescribed by Presidential Decree" in Article 204 (2) 2 of the Act means any of the following cases: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*
1. Where no foreign goods are shipped into or out of the general bonded area for one year;
 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 customhouse shall, when he/she keeps in custody and deposits goods under Article 206 of the Act, deliver a custody certificate or a deposit certificate, each stating the following matters:
1. The kind, number, name, standard and quantity of the packages of the relevant goods;
 2. Reasons for custody or deposit;
 3. The place where the relevant goods are kept in custody.
- (2) Any person who intends to get the custody rescinded and the deposited goods returned shall submit the custody certificate or the deposit certificate delivered under paragraph (1) to the head of the relevant customhouse.

Article 220 (Sale Agent)

Any institution which is permitted to act on behalf of the head of the relevant customhouse 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 Insolvent 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 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;
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 with the second competitive bidding, and the ceiling of diminishment shall be 50/100 of the initially estimated price: Provided, That it shall not be diminished to the amount below the amount of customs duties, which is calculated based on the initially estimated price, except any goods prescribed by the Commissioner of the Korea Customs Service.
- (2) Where there are higher bidding prices than the estimated price to be diminished in the next bidding, a free contract as prescribed in Article 210 (2) of the Act shall be concluded in order of the bidding price. The same shall apply to cases where a bidding price by a single bidder is higher than the estimated price to be

diminished in the next bidding or a person intends to purchase goods, the public sale procedures of which are completed, at a price higher than the final estimated price.

(3) In cases of paragraph (2), if a free contract is not concluded and another bidding is established, the highest bidding price in the immediately preceding bidding shall be the estimated price of the next bidding.

(4) A person who is entitled to conclude a free contract under paragraph (2) and refuses to conclude such free contract shall be prohibited from participating in any competitive bidding beginning the next competitive bidding on the relevant goods.

(5) "Goods prescribed by Presidential Decree" in Article 210 (4) of the Act means goods deemed necessary for swift sale and designated as the subject of consignment sale by the Commissioner of the Korea Customs Service among any of the following goods: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Goods which are decomposed or feared to be decomposed;
2. Goods which become useless due to the expiration of the period or are feared to suffer a sharp fall in their commercial value;
3. Goods unsuitable for a direct public sale because of the fear that the efficiency of the sale is reduced and of the need of expertise if put on a public sale.

(6) In cases of the consignment sale under Article 210 (4) of the Act, the sale price shall be the final estimated price (referring to the price calculated according to paragraph (7) for goods falling under paragraph (5)) and the place, method, fees and other necessary matters concerning the consignment sale shall be determined by the Commissioner of the Korea Customs Service.

(7) The estimated price of goods sold under Article 210 of the Act and the 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;
 2. Other goods which are designated by the Commissioner of the Korea Customs Service.
- (9) "Where the goods cannot be sold through the competitive bidding, in consideration of the nature, form and the purpose of use, etc. of such goods" in Article 210 (3) 2 of the Act means any of the following cases:

<Amended by Presidential Decree No. 22816, Apr. 1, 2011>

1. Where goods are feared to be considerably decomposed, damaged and qualitatively changed, or to suffer a fall in their commercial value if not immediately sold;
2. Where the estimated sale price of goods runs below 500,000 won;
3. Where the sale of goods through a competitive bidding is not in the public interest.

Article 223 (Transfer of Goods Subject to Sale)

- (1) The goods subject to sale which are held by the head of the relevant customhouse 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 customhouse to withdraw the written request for the sale of the goods.
- (2) The head of the relevant customhouse 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 following matters 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;
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 customhouse for the purpose of preventing illegal export and import;
13. Goods transported by the operator of a bonded transportation business who is under investigation or is waiting for a final judgment after being charged with violating the Act or any order given by the head of a customhouse 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 following matters with the head of the relevant customhouse, 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 customhouse located in the destination of the bonded transportation:

1. The date of report or approval for the transportation, and the number of report or approval therefor;
2. The name, standard and quantity of the relevant goods;
3. The desired period of extension and reasons therefor.

Article 228 (Application for Disposal of Transported Goods)

The provisions of Articles 179 and 180 shall apply *mutatis mutandis* to the case of the proviso to Article 217 of the Act.

Article 229 (Transportation of Goods from Wrecked Vessel or Aircraft)

- (1) Any person who intends to obtain approval under Article 219 (2) of the Act shall file an application stating the matters of each subparagraph of Article 226 (1) with the head of the relevant customhouse.
- (2) The provisions of Article 226 (3) shall apply *mutatis mutandis* to the case of paragraph (1).

SECTION 2 Domestic Transportation

Article 230 (Reporting on Domestic Transportation)

Article 226 shall apply *mutatis mutandis* to reporting pursuant to Article 221 of the Act.

SECTION 3 Bonded Transportation Operators, etc.

Article 231 (Registration of Bonded Transportation Operators, etc.)

(1) Any person who intends to register himself/herself as a bonded transportation operator under Article 222 (1) of the Act shall file an application stating the following matters with the head of the relevant customhouse:

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

(2) If an applicant under paragraph (1) meets the registration requirements prescribed in Article 223 of the Act and falls under each of the following subparagraphs, the head of the relevant customhouse shall enter necessary matters in the relevant register and issue a registration certificate:

1. Where he/she is equipped with the means of transportation or facilities and equipment prescribed by the Commissioner of the Korea Customs Service as necessary for bonded transportation, the provision of loaded or unloaded goods and international transportation, etc.;
2. Where he/she has the capital or deposit in excess of a certain amount prescribed by the Commissioner of the Korea Customs Service;
3. Where he/she has not been investigated as a customs offender or is not under indictment for violating the Act or any order issued by the head of the relevant customhouse under the Act.

(3) The period of validity of the registration referred to in paragraph (1) shall be three years and renewable. In such cases, any person who intends to renew the period of validity shall file an application for renewal of registration with the head of the jurisdictional customhouse by one month prior to the expiration of the period of validity. <Amended by Presidential Decree No. 23602, Feb. 2, 2012>

(4) The head of the relevant customhouse shall inform, in advance, each person who has obtained registration under paragraph (1) of the fact that he/she shall file an application for renewal of registration by no later than one month prior to the expiration of the first registration if he/she intends to renew the period of validity of such registration and procedures for renewal by no later than two months prior to the expiration of the first registration by text messaging the same to his/her mobile phone, or through e-mail, facsimile, telephone, or by a document, etc. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

(5) Any person who has obtained registration under paragraph (1) shall, if any of the registered matters is

revised, file a report thereon with the head of the jurisdictional customhouse without delay.

Article 232 (Declaration and Reporting by Shipping Company, etc. Handling Bonded Cargos)

(1) A shipping company or an airline that handles bonded cargoes under Article 225 (1) of the Act (including its agent and hereafter referred to as "shipping company or airline" in this Article) who intends to handle bonded cargoes under Article 225 (1) of the Act shall file a report attesting that he/she meets the 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: *<Amended by Presidential Decree No. 23127, Sep. 7, 2011>*

1. He/she is required not to fall under each subparagraph of Article 175 of the Act;
2. He/she is required to make a registration under the relevant Acts and subordinate statutes, such as the Marine Transportation Act and the Aviation Act.

(2) "Important matters prescribed by Presidential Decree" in the latter part of Article 225 (1) of the Act means the following matters: *<Newly Inserted by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>*

1. The domicile and name of the person who makes the report;
2. The firm name and the place of business of the person who makes the report;
3. The registered matters that are reported pursuant to the provisions of paragraph (1) 2.

(3) The head of the relevant customhouse may get any shipping company or airline to report the following matters in accordance with Article 225 (2) of the Act (including cases where the provisions are applied mutatis mutandis in paragraph (3) of the same Article): *<Amended by Presidential Decree No. 23127, Sep. 7, 2011>*

1. Details of the bill of lading or the airway bill issued by the shipping company or airline the owner of goods or to the broker of bonded cargo transportation under Article 222 (1) 2 of the Act;
2. Matters necessary to investigate any customs offender or speed up customs clearance, including the abnormality of goods discovered in the course of handling the cargoes.

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 customhouse, 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 customhouse, who has requested the meeting of such obligation only in cases falling under each of the following subparagraphs:

1. Where he/she is not required to meet the obligation after having obtained permission, approval, recommendation and satisfied other conditions given under Acts and subordinate statutes;
2. Where the obligation is rescinded following the revision, etc. of the Acts and subordinate and statutes;
3. Where a cause is deemed to exist that makes it impossible to meet the obligation imposed upon a request from the head of an administrative agency concerned.

Article 235 (Labeling of Customs Clearance)

(1) With respect to the goods falling under each of the following subparagraphs, the head of the relevant customs house may order customs clearance labels to be put on them in accordance with Article 228 of the Act to secure customs duties:

1. Goods subject to the application of reduction or exemption of customs duties or the usage tariff rate under the Act;
2. Goods for which approval is obtained for the payment of customs duties in installments under Article 107 (2) of the Act;
3. Goods designated by the Commissioner of the Korea Customs Service to distinguish them from illegal import goods.

(2) 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, etc. of Country of Origin Certificate)

(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 "country of origin certificate") with the head of the relevant customs house 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;
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*

1. Goods which the head of the relevant customhouse 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 cases of the specific duties) is not more than 150,000 won;
 4. Consignments and unaccompanied goods sent to individuals without compensation or personal effects of travelers;
 5. Goods prescribed by the Commissioner of the Korea Customs Service upon consulting with the heads of administrative agencies concerned.
- (3) Any country of origin certificate which is submitted to the head of the relevant customhouse under paragraph (1) shall be as follows:
1. The relevant customhouse, 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 the area) of the relevant goods or issue a certificate to that effect;
 2. With respect to the goods which are not imported directly from the country or origin, but via a third country, if the relevant customhouse, 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;
 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 retroactively from the day on which an import declaration is filed: Provided, That in cases of calculating one year retroactively from the date on which an import declaration is filed, the period according to the following classifications shall be excluded: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. Where the relevant goods arrive at the port of entry within one year from the issuance of the country of origin certificate but one year passes from the date on which an import declaration thereof is filed: Period from the day following the day on which the relevant goods arrive at the port of entry to the day on which the import declaration thereof is filed;
2. Where the relevant goods arrive at the port of entry after one year from the issuance of the country of origin certificate due to natural disaster or other similar reason: Period from the day following the day on which the relevant reason occurs to the day on which such ground ceases to exist.

(5) Deleted. *<by Presidential Decree No. 22816, Apr. 1, 2011>*

Article 236-2 (Prior Confirmation of Country of Origin, etc.)

- (1) Any person who imports goods, whose country of origin is required to be confirmed under Article 232 of the Act, may file an application with the Commissioner of the Korea Customs Service for making a confirmation or an examination of the following matters before he/she files an import declaration on the relevant goods (hereinafter referred to as 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;

4. Other matters that are prescribed by the Commissioner of the Korea Customs Service as being necessary to apply customs duties according to the country of origin.

(2) The Commissioner of the Korea Customs Service shall, upon receiving an application for a prior confirmation, make such confirmation and deliver a document stating the results of his/her confirmation (hereinafter referred to as "written prior confirmation") to the relevant applicant within 60 days after receipt of such application: *Provided*, That where it is impractical to make a prior confirmation on the ground of the imperfection, etc. of data submitted, the relevant applicant shall be notified of such ground.

(3) The head of the relevant customhouse shall, if contents of goods on which an import declaration is filed and their country of origin certificate are recognized to be identical to contents of the written prior confirmation, apply a reduction, etc. of customs duties thereto according to contents of the written prior confirmation unless any extenuating circumstance exist.

(4) If a person who are notified of the results of a prior confirmation under paragraph (2) (including persons who are notified of changes in contents of a written prior confirmation under Article 236-3 (1)) intends to file an objection to the details of the notification, he/she shall submit an application therefor stating the following matters, accompanied by the data by which the contents of the objection filed are ascertainable within 30 days after being notified of such results: <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

1. Name and address or residence of the person who files an objection;
2. Name, specification, use of the relevant goods, exporter, producer and importer of the relevant goods;
3. Gist and contents of the objection filed.

(5) Upon receiving an objection filed under paragraph (4), the Commissioner of the Korea Customs Service shall examine it and inform the applicant of the details of his/her decision within 30 days. <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

(6) If the contents of an objection filed or procedures for filing the objection are deemed inappropriate or need to be corrected, the Commissioner of the Korea Customs Service may request the applicant to correct them in writing stating the following details. In such cases, the correction period shall not be included in the period for examination and making a decision pursuant to paragraph (5): <Newly Inserted by Presidential Decree No. 23602, Feb. 2, 2012>

1. Matters to be corrected;
2. Reasons for requesting the correction;
3. Correction period;
4. Other necessary matters.

[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) Where contents of the written prior confirmation are changed in accordance with paragraph (1), changed contents shall apply to goods on which an import declaration is filed after the date on which contents of the written prior confirmation are changed: Provided, That when contents of the written prior confirmation are changed on the grounds of an omission in submitted materials or the submission of false materials, etc. for which the applicant is responsible, changed contents shall also be retroactively applied to goods on which an import declaration is filed prior to the date on which contents of the written prior confirmation are changed in connection with the relevant prior confirmation.

[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 established in the Korea Customs Service to deliberate on matters referred to by the Commissioner of the Korea Customs Service among matters concerning prior confirmation, filing of an objection to any matter notified as a result of prior confirmation, changes, etc. provided in Articles 236-2 (1) and (4) and 236-3.
<Amended by Presidential Decree No. 23602, Feb. 2, 2012>
- (2) The Committee shall consist of no more than ten members, including one chairperson.
- (3) The chairperson 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 the following persons: *<Amended by Presidential Decree No. 19513, Jun. 12, 2006>*
 1. Public officials in charge of the country of origin affairs in the relevant central administrative agencies;
 2. Public officials in charge of the country of origin affairs in the Korea Customs Service, the Customs

Valuation and Classification Institute, the Central Customs Analysis Office or customhouses;

3. Other persons with abundant knowledge and experience relating to the country of origin affairs.

(4) Where the chairperson is unable to perform his/her duties due to extenuating circumstances, a person nominated by the chairperson shall perform such duties on behalf of the chairperson.

(5) Where a public official member is unable to attend the Committee's meeting due to extenuating circumstances, other public official (referring to a public official nominated by the chairperson when the relevant post remains vacant) who is nominated by the public official member may attend the Committee's meeting to act on behalf of such member.

(6) The Committee's meetings shall open with the attendance of a majority of the total members on the register roll and pass resolutions with the concurrent vote of a majority of those present.

(7) The Committee shall have one secretary charged with administrative affairs and the secretary shall be nominated by the chairperson from among the public officials of Grade V or higher in their ranks who work for the Korea Customs Service or the public officials in general service who 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) Where members and advisory members who are not public officials attend the Committee's meetings, they may be paid travel expenses and allowances within budgetary limits.

(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 Fulfillment of Free Trade Agreements, matters that require expertise such as manufacturing process analysis, transaction type analysis, the classification of goods, added value calculation, etc.;
 3. Matters relating to preliminary investigation on the places of origin under Article 13 of the Act on Special Cases of the Customs Act for the Fulfillment 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 of 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 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 236-6 (Data, etc. to Confirm Country of Origin Certificates)

- (1) "Data prescribed by Presidential Decree" in the former part of Article 232-2 (2) of the Act means the data pursuant to the classification falling under each of the following subparagraphs within three years from the date when an export declaration is accepted:
1. Data in the following items submitted by a producer of the exported goods;
 - (a) Documents provided to an exporter in order to prove the country of origin of the relevant goods;
 - (b) Contract on the supply of goods with an exporter;

- (c) Import declaration completion certificate of raw materials used in the production of the relevant goods
(limited to cases where an import declaration is filed in the name of the producer);
- (d) Evidential documents related to production or purchase of the relevant goods and raw materials;
- (e) Statement of costs, details of raw materials and statement of process;
- (f) Ledger of management of incomings and outgoings and inventory of the relevant goods and raw materials;
- (g) Documents prepared and provided to a producer by a person who supplies or produces the materials used in the production of the relevant goods in order to prove the country of origin of the relevant materials;
- (h) Application documents for issuance of the country of origin certificate(including electronic documents and limited to cases where a producer is issued the country of origin certificate);

[This Article Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011]

2. Data in the following items submitted by an exporter:

- (a) Country of origin certificate provided to an importer of a country which imports the goods for which the country of origin certificate has been issued (including its electronic document);
- (b) Export declaration completion certificate;
- (c) Contracts related to export transaction;
- (d) Application documents for issuance of the country of origin certificate (including electronic documents and limited to cases where an exporter is issued the country of origin certificate);
- (e) Documents referred to in subparagraph 1 (a) through (f) (limited to cases where an exporter is issued the country of origin certificate).

3. Data in the following items submitted by a person who has issued the country of origin certificate:

- (a) Country of origin certificate issued (including its electronic document);
- (b) Application documents for issuance of the country of origin certificate(including electronic documents);
- (c) Other data that has been kept by the issuing authority and is deemed necessary for confirmation of the

country of origin.

- (2) "Persons prescribed by Presidential Decree" in Article 232-2 (2) 3 of the Act means a producer or an exporter of the relevant exported goods.

Article 236-7 (Request for Confirming Country of Origin Certificates, etc. of Imported Goods)

- (1) Where the head of a customhouse makes a request to confirm the authenticity, etc. of the country of origin certificate and the country of origin certificate confirmation data under Article 233 (1) of the Act, he/she shall send the request stating the matters falling under each of the following subparagraphs together with documents required to confirm the country of origin, such as copies of the country of origin certificate and invoices collected from the importer or a person subject to investigation:

1. Grounds for raising the doubt about the authenticity, etc. of the country of origin certificate and the country of origin certificate confirmation data and requested matters for confirmation;
2. Standards for determining the origin of country that is applied to the relevant goods;

[This Article Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011]

- (2) When the head of a customhouse requests for confirmation under paragraph (1), he/she shall notify the importer of such fact, and when the head of a customhouse is notified of the result of confirmation by the customhouse that issued the origin of country certificate or the institution with the authority to issue the country of origin certificate, he/she shall notify the importer of the contents of such answer and determination.

Article 236-8 (Procedures for Investigating Origin of Country Certificate, etc. of Exported Goods)

- (1) A field investigation under Article 233 (2) of the Act may be conducted when it is difficult to confirm the authentication, accuracy, etc. of the origin of county certificate and the origin of country certificate confirmation data by the written investigation only or additional confirmation is necessary.
- (2) Where the head of a customhouse conducts a written or field investigation, he/she shall give a written notice of the matters prescribed by Ordinance of the Ministry of Strategy and Finance to the person subject to investigation at least seven days prior to the commencement of investigation.
- (3) Articles 114 (2) and 115 shall apply mutatis mutandis to matters on request for postponing the investigation

and notice of result of investigation.

(4) A person subject to investigation who has an objection to the result of investigation may submit the application stating the matters falling under each of the following subparagraphs together with the data to confirm the contents of objection within 30 days from the date of receiving the result of investigation to the head of a customhouse:

1. Name and address or residence of a person who raises an objection;
2. Date of receiving the notice on result of investigation under paragraph (3) and contents of decision on investigation;
3. Name, standard, purpose of use, exporter, producer and importer of the relevant goods;
4. Summary and contents of the objection.

(5) The head of a customhouse shall complete the examination within 30 days from the date of receiving the objection under paragraph (4) and notify the contents of decision.

(6) Where there are any defects in the contents of the objection or procedures for raising the objection under paragraph (4), the head of a customhouse may request a supplement or correction thereof within the limit of 20 days in a document stating the matters falling under each of the following subparagraphs: Provided, That where the matters to be supplemented or corrected are minor, the head of a customhouse may supplement or correct them ex officio:

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

(7) Period during which the supplement or correction is made under the main sentence of paragraph (6) shall not be included in the period of determination under paragraph (5).

[This Article Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011]

Any person who intends to report, under Article 235 (2) of the Act, intellectual property right (hereinafter referred to as "intellectual property right") under each subparagraph of Article 235 (1) of the Article, shall file a report with the head of the relevant customhouse, stating the following matters, accompanied by evidentiary documents for relevant intellectual property right registered or registered for its establishment under the relevant Acts and subordinate statutes: <Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 21634, Jul. 22, 2009; Presidential Decree No. 22816, Apr. 1, 2011>

1. The person entitled to use the intellectual property right;
2. Details and scope of the intellectual property right;
3. The exporter, importer or exporting and importing country which possibly infringes on trademark rights;
4. Matters necessary to confirm an infringement.

Article 238 (Request for Withholding Customs Clearance, etc.)

Any person who intends to request the withholding of customs clearance or custody (hereinafter referred to as "withholding of customs clearance, etc.") in accordance with Article 235 (3) and (4) of the Act shall file an application stating the matters falling under each of the following subparagraphs and a document attesting that he/she is a rightful person under relevant Acts and subordinate statutes with the head of the relevant customhouse: <Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>

1. The name, exporter, importer and exporting and importing country;
2. Details and scope of the intellectual property right;
3. Reasons for the request;
4. Matters necessary to prove the fact of infringement.

Article 239 (Withholding of Customs Clearance, etc.)

- (1) The head of the relevant customhouse shall, when goods falling under any of each subparagraph of paragraph (3) against which a request is filed for withholding the customs clearance, etc. under Article 235

(3) and (4) of the Act are deemed to infringe the intellectual property right, withhold the customs clearance, etc. for the relevant goods: Provided, That where a person holding the intellectual property right consents to the customs clearance or release of custody of the relevant goods, such customs clearance or release of custody may be granted as prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

(2) If the head of the relevant customhouse withholds any customs clearance, etc. under Article 235 (5) and (7), he/she shall notify such fact to persons who have filed export or import declaration, transshipment or multi-transshipment declaration, report on shipment of goods into bonded area, report on bonded transportation or declaration for temporary unloading under subparagraph 1 of Article 141 of the Act (hereinafter referred to as "export or import declaration, etc.") and persons holding intellectual property right of the fact of withholding customs clearance, etc. and each of the following matters: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

1. The names and addresses of a person who has filed an export or import declaration, etc. and consignees;
2. The quantities, and characteristics and conditions of goods subject to withholding of customs clearance, etc.;
3. Place of origin, etc. and other necessary matters.

(3) Where a person who has filed a request for withholding the customs clearance, etc. of the relevant goods proves the fact that he/she has instituted a lawsuit to the court 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, etc. for the relevant goods under paragraph (2), the head of the relevant customhouse may continue withholding the customs clearance, etc. for the relevant goods. In this case, if the person who has filed the request for withholding the customs clearance, etc. 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. *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

(4) Notwithstanding paragraph (3), if the withholding, etc. of the customs clearance is executed or continued by

a provisional protective measure taken by the court, the withholding period of the customs clearance shall be determined by the classification falling under each of the following subparagraphs: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

1. If the court specifies the period for provisional protection measure: the last day;
2. If the court does not specify the period for provisional protection measure: 31 days from the day on which the provisional protection measure commences.

(5) Any withholding of customs clearance, etc. under Article 235 (7) of the Act shall be made by a document in which the fact of violation and the declaration number, name, quantity, etc. of the goods subject to withholding of customs clearance, etc. *<Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*

(6) Any goods for which customs clearance is withheld, etc. under Article 235 (5) of the Act and paragraph (7) of the same Article shall be kept in a place designated by the head of the relevant customhouse until customs clearance thereof is granted or its custody is released. *<Amended by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*

Article 240 (Request for Customs Clearance or Release of Custody for Good Whose Customs Clearance is Withheld, etc.)

(1) Where a person who has filed an export or import declaration, etc. intends to request the customs clearance or release of custody of the goods in accordance with the proviso to Article 235 (5) of the Act, he/she shall file an application with the head of the relevant customhouse, along with evidentiary documents explaining that the relevant goods have not infringed on any intellectual property right, as prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

(2) The head of the relevant customhouse shall, upon receiving the request referred to in paragraph (1), notify without delay the person who has requested the withholding of the customs clearance thereof, etc. of the fact of such request and the person may, upon receiving such notification, furnish evidential materials relating to the infringement to the head of the relevant customhouse. *<Amended by Presidential Decree No.*

22816, Apr. 1, 2011>

- (3) The head of the relevant customhouse shall, upon receiving the request referred to in paragraph (1), decide whether to accept customs clearance or release of custody 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 customhouse may make such decision after consulting with agencies concerned or hearing opinions of experts. *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

Article 241 (Offer of Security, etc.)

- (1) Any person who intends to offer security to the head of the relevant customhouse 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) When any person who has filed an export or import declaration intends to provide security to the head of the relevant customhouse under the proviso to Article 235 (5) of the Act, he/she shall provide the amount equivalent to 150/100 of the dutiable value of the relevant goods in money, etc. prescribed in Article 24 (1) 1 through 3 and 7 of the Act. *<Amended by Presidential Decree No. 22816, Apr. 1, 2011; Presidential Decree No. 23602, Feb. 2, 2012>*
- (3) Any person who provides security under paragraph (1) or (2) shall submit a document stating that the provided security may be used to compensate for any damage inflicted on any person who has filed an export or import declaration or any person who has requested the withholding of customs clearance, etc. to the head of the relevant customhouse. *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*
- (4) When the head of the relevant customhouse permits the customs clearance of the goods, the customs clearance of which is withheld, etc. or releases custody thereof under Article 235 (3) and (4) of the Act or continues withholding customs clearance, etc. in spite of a request for such customs clearance or release of custody under the proviso to Article 235 (5) of the Act, he/she shall return the security to the person who has provided such security under paragraph (1) or (2). *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*

- (5) Articles 11 and 13 shall apply *mutatis mutandis* to an application for releasing the security provided under paragraphs (1) and (2) and the blanket security.

Article 242 (Confirmation, etc. of Infringement on Intellectual Property Right)

- (1) When the head of the relevant customhouse deems it necessary to determine whether the intellectual property right of the goods on which an export or import declaration, etc. has been filed is infringed on, he/she may request the holder of such intellectual property right to provide professionals specializing in intellectual property right or test facilities. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*
- (2) Where any holders of intellectual property right or any persons who have filed an export or import declaration, etc. make requests to inspect or take a sample of goods, the export or import declaration, etc., of which is notified under the main sentence of Article 235 (3) of the Act or the goods subject to withholding of customs clearance, etc. under the main sentence of Article 235 (5) of the Act, to determine the infringement on their intellectual property right. the head of the relevant customhouse shall comply with their request unless special grounds, such as the protection of business secrets regarding such goods, exist. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*
- (3) Necessary matters concerning the confirmation of infringement on intellectual property right and procedures for withholding customs clearance, etc. shall be determined by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 20624, Feb. 22, 2008; Presidential Decree No. 22816, Apr. 1, 2011>*

Article 243 (Exclusion of Application)

The provisions of Article 235 (1) of the Act shall not apply to goods ex- ported 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) Where goods on which an export declaration or import declaration is accepted fall under any of the following

subparagraphs, the Commissioner of the Korea Customs Service or the head of the relevant customhouse may order the shipment of such goods into a bonded area under Article 238 (1) of the Act: Provided, That the same shall not apply to cases where three months have elapsed since the export declaration or the import declaration of the relevant goods is accepted or the head of an administrative agency takes 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; Presidential Decree No. 22816, Apr. 1, 2011>

1. Where the obligation as prescribed in Article 227 of the Act is not fulfilled;
 2. Where the country of origin as prescribed in Article 230 of the Act is not legally labeled or is labeled differently from the time that an export or import declaration thereon is accepted;
 3. Where intellectual property right is infringed upon.
- (2) The Commissioner of the Korea Customs Service or the head of the relevant customhouse shall, where he/she orders the shipment of goods into a bonded area under paragraph (1), deliver a written order stating the goods subject to such shipment, a bonded area to which such goods are shipped, reasons for the shipment and a time limit for the shipment to the owner of the goods and a person who has filed an export declaration or an import declaration.
- (3) The Commissioner of the Korea Customs Service or the head of the relevant customhouse 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 customhouse, 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 customhouse: 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 head of the relevant customhouse.

- (5) The head of the relevant customhouse 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) Where the goods shipped into the bonded area under paragraph (4) are returned or disposed of under paragraph (5), the acceptance of the original export declaration or the original import declaration shall be deemed cancelled.
- (7) The provisions of Articles 46 and 48 of the Act shall apply mutatis mutandis to the goods which are returned or disposed of under paragraph (5).
- (8) The Commissioner of the Korea Customs Service may set detailed standards for a bonded area to which the relevant goods are shipped, shipment period, shipment procedures and the method of administering export and import declaration completion certificates, etc.

SECTION 2 Exportation, Importation and Return

Article 246 (Declaration on Export, Import or Return)

- (1) "Matters prescribed by Presidential Decree" in Article 241 (1) of the Act means the following matters:

<Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 22816, Apr. 1, 2011>

1. The kind, identification number and number of packages;
2. The destination, the country of origin and the place of loading;
3. Whether, in cases 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 or overseas buyer code;

6. The place where goods are stored;

7. Other reference matters.

(2) Any person who intends to file a declaration on export, import or re- turn 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 customhouse:

1. The matters of each subparagraph of paragraph (1);

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 herefrom:

1. The personal effects of travelers as prescribed in subparagraph 1 of Article 96 of the Act;

2. The personal effects of crew 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);

5. Consignments and unaccompanied goods, including documents and low- priced 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 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) "Goods prescribed by Presidential Decree" in the former part of Article 241 (6) of the Act means one falling under any one of the following subparagraphs: *<Newly Inserted by Presidential Decree No. 19993, Apr. 5, 2007; Presidential Decree No. 22816, Apr. 1, 2011>*

1. Electricity;
2. Gas;
3. Oil;
4. Water.

(7) "Power lines, pipes or those similar thereto prescribed by Presidential Decree" referred to in the former part of Article 241 (6) of the Act means 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; Presidential Decree No. 22816, Apr. 1, 2011>*

(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 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;
4. 20/1,000 of the dutiable value of the relevant goods in cases of other than subparagraphs 1 through 3.

(2) The amount of the additional duty calculated under paragraph (1) shall not exceed five million won.

<Amended by Presidential Decree No. 23602, Feb. 2, 2012>

(3) With respect to the goods that has been bonded transported 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 an import declaration or a return declaration is filed.

Article 248 (Goods subject to Additional Duty)

Goods on which the additional duty prescribed in Article 241 (4) of the Act is collected shall be those prescribed by the Commissioner of the Korea Customs Service in consideration of the kind of the bonded area and the characteristics of the relevant goods as he/she deems it urgent to distribute such goods promptly.

Article 249 (Import Declaration Prior to Entry to Port)

(1) An import declaration prescribed in Article 244 (1) of the Act may be filed five days (one day in cases of aircraft) before a vessel or an aircraft laden with the relevant goods enters a port or airport of Korea after having departing the port or the airport where such goods are loaded.

(2) In cases of a short departure-entry period, if it is deemed impractical to file a declaration after the departure of the relevant vessel, etc. and that it becomes necessary to file such declaration prior to the departure, the declaration period therefor may be adjusted otherwise as prescribed by the Commissioner of the Korea Customs Service.

(3) Notwithstanding paragraph (1), an import declaration on goods falling under any of the following subparagraphs shall be filed after the vessel, etc. loaded with such goods arrives in Korea: *<Amended by Presidential Decree No. 20624, Feb. 22, 2008>*

1. Goods, to which any 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) "Documents prescribed by Presidential Decree" in Article 245 (1) of the Act means the documents falling under each of the following subparagraphs: *<Amended by Presidential Decree No. 22816, Apr. 1, 2011>*
1. The copy of the bill of lading or the copy of the airway bill;
 2. The country of origin certificate (limited to cases where it is applied in Article 236 (1));
 3. Other reference documents.
- (2) Where the goods on which an export declaration or an import declaration needs to be filed require the certificate as prescribed in Article 226 of the Act, the export declaration or the import declaration, appended by related evidential documents, shall be filed: Provided, That such evidential documents may be omitted when the head of the relevant 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 as prescribed by the Commissioner of the Korea Customs Service.
- (2) Where the declarer as prescribed in Article 241 (1) of the Act applies for participating in the inspection referred to in paragraph (1) or the declarer's participation is deemed necessary, the head of the relevant 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 following matters with the head of the relevant customhouse:

1. The matters of each subparagraph of Article 175;
2. The kind of declaration;
3. The date of declaration and the declaration number;
4. Reasons for the application.

Article 254 (Notice of Rejection of Declaration)

The head of the relevant customhouse shall, when he/she rejects any declaration in accordance with Article 250 (3) of the Act, serve a notice stating the following matters on the declarer:

1. The kind of the declaration;
2. The date of declaration and the declaration number;
3. Reasons for rejecting the application.

Article 255 (Revocation of Acceptance of Export Declaration)

(1) The head of the relevant 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 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 matters of each subparagraph of Article 175;
2. The kind of declaration;
3. The date of declaration and the declaration number;
4. Reasons for the application.

(2) The head of the relevant 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.

(3) With respect to the goods falling under each of the following subparagraphs, the provision of security under the proviso to Article 252 of the Act may be omitted: Provided, That it is possible to cause the provision of security with respect to the goods imported by the person for whom the Commissioner of the Korea Customs Service does not deem appropriate to omit the provision of security for the reasons, such as customs duties arrearages and non-compliant reporting from among those who import the goods under subparagraphs 2 and 3: <Newly Inserted by Presidential Decree No. 22816, Apr. 1, 2011>

1. Goods imported by the State, local governments, public institutions under Article 4 of the Act on the Management of Public Institutions, local public corporations established under Article 49 of the Local

Public Enterprises Act and local industrial complexes established under Article 79 of the same Act;

2. Goods imported by institutions under Article 90 (1) 1 and 2 of the Act;
3. Goods imported by an exporter who has not violated the Act (excluding a case where a person who has been punished under Articles 270, 276 and 277 of the Act and who has been deemed not to be likely to recommit crime) for last two years or a person who is assessed to have a good credit rating by the credit rating agency and who is determined by the Commissioner of the Korea Customs Service;
4. Goods deemed by the Commissioner of the Korea Customs Service not to impede securing duty claims, taking into account the nature and reasons for shipping the imported goods into storage place such as raw materials for export;
5. Goods for relocation of a person falls under the standards determined and announced by the Commissioner of the Korea Customs Service since they do not impede securing the duty claims by taking into account the freedom of residence or relocation and customs duties payable.

Article 257 (Shipment of Goods out of Means of Transportation Prior to 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 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 following matters with respect to export and import of goods traded through digital documents under Article 254 of the Act:

1. Goods or companies subject to special customs clearance;
2. Methods of and procedures for filing export declarations;
3. Methods of paying customs duties, etc.;
4. Methods of inspecting goods;
5. Other matters deemed necessary by the Commissioner of the Korea Customs Service.

Article 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) 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 Fulfillment 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 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.

Article 259-3 (Procedures for Authorization of Excellent Enterprises in Safety Management of Export and Import)

(1) Any person who intends to obtain authorization 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;
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) 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 cases of paragraph (1), any clearance post office shall, when customs officers deem it necessary to unpack postal materials for inspection, unpack and repack such postal materials.

Article 261 (Postal Materials Subject to Export and Import Declaration)

"Postal items that conform with the standards prescribed by Presidential Decree" in Article 258 (2) of the Act means the postal materials falling under any of the following subparagraphs: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 22816, Apr. 1, 2011>*

1. Goods whose export and import are restricted or banned in accordance with Acts and subordinate statutes;
2. Goods which require a confirmation of the head of the relevant customhouse 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;
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 Customhouse, etc.)

- (1) With respect to postal materials falling under Article 258 (2) of the Act, the acceptance of the declaration under Article 248 of the Act or the submission of documents for which approval is granted under Article 252 of the Act by the relevant declarer to the clearance post office shall be substituted for the notice as prescribed in Article 259 (1) of the Act.
- (2) In cases of paragraph (1), the duty payment notice issued by the relevant customhouse 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 customhouse in cases 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 customhouse may order any person who sells goods produced in foreign countries in his/her permanent place of business, his/her agent or other related person to file a report on the following matters with respect to sold goods in accordance with Article 266 (3) of the Act:

1. The name, standard and quantity of the sold goods;
2. The export country, the producing country or the country of origin of the sold goods;
3. The import price or purchase price of the sold goods;
4. The importer or the seller of the sold goods;
5. The date of purchase and the date on which the sold goods are shipped into the place of business;
6. The date of sale of the sold goods.

CHAPTER XI ADDITIONAL COLLECTION OF GOODS WHICH CANNOT BE CONFISCATED

Article 265 Deleted. *<by Presidential Decree No. 21305, Feb. 4, 2009>*

Article 266 (Domestic Wholesale Price)

"Domestic wholesale price" in Article 282 (3) of the Act means the price of imported goods sold openly by wholesalers in the domestic wholesale market in a fair transaction manner after purchasing them from trade business operators.

CHAPTER XII 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 cases 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 Si/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 following matters 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 following classifications: <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 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;
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 therefor 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 cases 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 attached Table 3;
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 following matters:
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;
 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 following matters with the Commissioner of the Korea Customs Service:
- <Amended by Presidential Decree No. 17833, Dec. 30, 2002>*
1. The kind of statistics and contents thereof;

2. Reasons for the perusal or the delivery of statistics.

(2) The publication of statistics under Article 322 (2) of the Act shall be made not less than once a year.

(3) Cases referred to as the ones prescribed by Presidential Decree in the latter part of Article 322 (3) of the Act means the case where the material subject to the perusal or the delivery falls under any of the subparagraphs of Article 9 (1) of the Official Information Disclosure Act. *<Newly Inserted by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 18493, Jul. 29, 2004; Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 22816, Apr. 1, 2011>*

(4) Any person who intends to receive the delivery of a certificate, statistics or data concerning statistics under Article 322 (6) of the Act shall file an application stating the following matters with the Commissioner of the Korea Customs Service, the head of the relevant customhouse or any person acting on his/her behalf under Article 322 (5) of the Act: *<Amended by Presidential Decree No. 17833, Dec. 30, 2002; Presidential Decree No. 22816, Apr. 1, 2011>*

1. The kinds and details of the media in which certificates, statistics or data concerning statistics are recorded;

2. Reasons for getting the delivery.

Article 277 (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 as prescribed by the Commissioner of the Korea Customs Service.

(2) Where 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 cases 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 customhouse or other investigative agency about a customs offender from among persons who are credited under the provisions of Article 324 (1) of the Act 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 as 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 "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) "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; Presidential Decree No. 22816, Apr. 1, 2011>

(6) "Property 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; Presidential Decree No. 22816, Apr. 1, 2011>*

(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 customhouse 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 customhouse shall give any person deserving a reward for his/her meritorious service a fair opportunity to receive such reward.

- (3) Standards necessary for rewards under paragraph (1), the method of surveying meritorious services and other necessary matters shall be determined by the Commissioner of the Korea Customs Service: Provided, That the same meritorious service shall not be rewarded twice. *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

Articles 279 through 282 Deleted. *<by Presidential Decree No. 21305, Feb. 4, 2009>*

Article 282-2 (Transfer of Confiscated Farm Commodities, etc.)

- (1) Where 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 customhouse shall inform the Minister of Food, Agriculture, Forestry and Fisheries thereof as prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (2) Where 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 customhouse for transferring such farm commodities as prescribed by the Commissioner of the Korea Customs Service within 20 days from the date on which he/she is informed thereof. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (3) Where 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 customhouse 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 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.)

"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; Presidential Decree No. 22816, Apr. 1, 2011>

Article 284 (Publication of Sale and Disposal)

(1) When it is intended to sell goods in a general competitive bidding in accordance with the Act with the exception of the case prescribed in Article 14, the following matters shall be published:

1. The name, standard and quantity of the relevant goods;
2. The kind and number of packages;
3. The date and place of sale;
4. Reasons for sale;
5. Other necessary matters.

(2) When it is intended to dispose of goods under the Act, the following matters shall be published:

1. The name and quantity of the relevant goods;
2. The kind, notation, identification number and number of packages;
3. The date and time and place of disposal;
4. Reasons for the disposal;
5. The address and name of the owner of the relevant goods;
6. Other necessary matters.

(3) The publication referred to in paragraphs (1) and (2) shall be made in the bulletin board of the relevant customhouse: Provided, That when the head of the relevant customhouse deems it necessary, such publication may be made in other place, the Official Gazette or newspapers.

Article 285 (Public Deposit of Balance)

Where the head of the relevant customhouse sells goods or securities or disposes of them in other manners under the Act and is unable to deliver the balance of the proceeds, he/she may place the said balance into public deposit

Article 285-2 (Electronic Delivery)

(1) Any person who intends to take e-delivery pursuant to Article 327 (6) of the Act shall have the equipment needed to take such e-delivery and file an application stating the following matters with the head of the competent customhouse as prescribed by the Commissioner of the Korea Customs Service: *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*

1. Personal matters, such as name and resident registration number;
2. Address, place of dwelling, or location of business place;
3. E-mail address [in cases of the electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea determined by the Commissioner of the Korea Customs Service in accordance with Article 327 (5) of the Act (hereinafter referred to as "electronic data-processing equipment"), its e-mail address means a place to which it is accessible using each of users' identification codes];
4. Kinds of documents that he/she intends to obtain by means of e-delivery from among the documents referred to in paragraph (3);
5. Other necessary matters prescribed by the Commissioner of the Korea Customs Service.

(2) "Grounds prescribed by Presidential Decree" in Article 327 (7) of the Act means any of the following cases:

<Amended by Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 22816, Apr. 1, 2011>

1. Where the electronic data-processing equipment operated by financial institutions and postal service offices breaks down due to power outage, program error and other unavoidable grounds;
2. Where the right of any person who intends to take the e-delivery to exercise his/her access to the electronic data-processing equipment is suspended;
3. Where the e-delivery is prescribed by the Commissioner of the Korea Customs Service as impossible.

- (3) Documents that may be delivered by means of e-delivery in accordance with Article 327 (8) of the Act shall be payment notices, duty payment notices, refund notices and other documents prescribed by the Commissioner of the Korea Customs Service. *<Amended by Presidential Decree No. 21305, Feb. 4, 2009>*
- (4) Where payment notices, duty payment notices, refund notices and other documents prescribed by the Commissioner of the Customs Service from among those under paragraph (3) are delivered by means of e-delivery, the Commissioner of the Korea Customs Service shall deliver such documents by means of storing them in the electronic data-processing equipment.
- (5) Where the Commissioner of the Korea Customs Service delivers any document other than the documents referred to in paragraph (4), he/she shall deliver it to the e-mail address designated by any person who intends to receive such document by means of e-delivery.

[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 Net- work of Korea)

- (1) 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 Government-Funded Research Institutions;
 2. It shall have experience in building up and operating an electronic data processing system;
 3. It shall have other facilities and technical human resources meeting the standards determined by the

Commissioner of the Korea Customs Service.

- (2) Any person who intends to obtain designation as a business operator operating the Comprehensive Customs Duties Information Network of Korea shall file an application with the Commissioner of the Korea Customs Service with documents determined by the Commissioner. The same shall also apply when a designated business operator revises any of the matters designated as such.
- (3) When the Commissioner of the Korea Customs Service has designated a business operator operating the Comprehensive Customs Duties Information Network of Korea, he/she shall issue a designation certificate to the relevant applicant and notify the head of a related administrative agency and the head of an agency related to customs affairs of the fact.

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

Article 285-4 (Standards for Designating Electronic Document Brokerage Operators)

- (1) Standards for designating electronic document brokerage operators pursuant to Article 327-3 (1) of the Act shall be as follows: *<Amended by Presidential Decree No. 19478, May 22, 2006; Presidential Decree No. 21305, Feb. 4, 2009; Presidential Decree No. 23602, Feb. 2, 2012>*
1. Any stock company with at least one billion won in paid-in capital, which is incorporated under the Commercial Act;
 2. A same person, excluding the Government, any public institution under Article 4 of the Act on the Management of Public Institutions and any nonprofit corporation, shall not hold or virtually control stocks in excess of 15/100 of total voting stocks;
 3. To be equipped with facilities and technical manpower necessary for rendering the electronic document brokerage service pursuant to Article 327-3 (1) of the Act.
- (2) The scope of stocks held or virtually controlled by a same person pursuant to paragraph (1) 2 shall be prescribed by Ordinance of the Ministry of Strategy and Finance. *<Amended by Presidential Decree No. 20720, Feb. 29, 2008>*
- (3) Detailed matters concerning the designation standards referred to in paragraph (1) 3 shall be prescribed by

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

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

Article 285-5 (Procedures for Designating Electronic Document Brokerage Operators)

- (1) Any person who intends to obtain designation as an electronic document brokerage operator in accordance with Article 327-3 (1) of the Act shall file an application, accompanied by documents prescribed by the Commissioner of the Korea Customs Service, with the Commissioner of the Korea Customs Service. The same shall apply where any designated electronic document brokerage operator intends to alter the designated matters. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>
- (2) The Commissioner of the Korea Customs Service shall, when he/she makes any designation in accordance with Article 327-3 (1) of the Act, deliver a designation certificate to the relevant applicant and then notify the heads of relevant administrative agencies and the heads of institutions concerned with tariff affairs of the fact. <Amended by Presidential Decree No. 21305, Feb. 4, 2009>

[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; Presidential Decree No. 22816, Apr. 1, 2011>*
 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 determining methods 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 for 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 relating to reports of intellectual property rights 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 bodies established in accordance with Article 32 of the Civil Act, as prescribed by the former part of Article 329 (4) of the Act. *<Newly Inserted by Presidential Decree No. 22086, Mar. 26, 2010; Presidential Decree No. 22816, Apr. 1, 2011>*

(9) Matters concerning the direction and supervision of the person entrusted with the affairs 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>*

Article 289 (Handling of Sensitive Information and Personally Identifiable Information)

The Commissioner of the Korea Customs Service, the head of a customhouse or a customs officer may handle any criminal history record prescribed in subparagraph 2 of Article 18 of the Enforcement Decree of the Personal Information Protection Act or any data containing a resident registration number, passport number or alien registration number prescribed in subparagraph 1, 2 or 4 of Article 19 of the same Decree if inevitable to perform business affairs related to the imposition and collection of custom duties or customs

clearance of exported or imported goods pursuant to the Act and this Decree

[This Article Newly Inserted by Presidential Decree No. 23488, Jan. 6, 2012]

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 from the first declaration document filed after this Decree enters into force.

Article 4 (Application Example on Review Period)

The amended provisions of Articles 70 (2) and 84 (2) shall apply from the first request for review filed after this Decree enters into force.

Article 5 (General Transitional Measures)

Any disposition, procedures or other act, made, taken or done under the previous provisions as at the time this Decree enters into force shall be deemed made, taken or done under the provisions of this Decree unless they are in conflict with the provisions of this Decree.

Article 6 (Transitional Measures concerning Previous Open Ports)

Any open port designated in accordance with the previous Open Port Designation Decree shall be deemed an open port designated pursuant to the amended provisions of Article 155.

Article 7 Omitted.

Article 8 (Relationship with other Acts and Subordinate Statutes)

Where other Acts and subordinate statutes cite the previous provisions of the Enforcement Decree of the Customs Act or any provisions thereof as at the time this Decree enters into force, this Decree or its

corresponding provisions shall be deemed cited in lieu of the previous provisions.

ADDENDUM *<Presidential Decree No. 17157, Mar. 27, 2001>*

This Decree shall enter into force on March 29, 2001.

ADDENDA *<Presidential Decree No. 17166, Mar. 27, 2001>*

Article 1 (Enforcement Date)

This Decree shall enter into force on March 29, 2001.

Article 2 Omitted.

ADDENDUM *<Presidential Decree No. 17320, Jul. 30, 2001>*

This Decree shall enter into force on August 1, 2001.

ADDENDUM *<Presidential Decree No. 17425, Dec. 15, 2001>*

This Decree shall enter into force on the date of its promulgation.

ADDENDA *<Presidential Decree No. 17467, Dec. 31, 2001>*

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2002.

Article 2 (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 pledges as price adjustment, export suspension, etc., following the results of review under Article 56 (1) of the Act, after this Decree enters into force.

Article 4 (Transitional Measures concerning Application for Work Per- missions 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.

Article 1 (Enforcement Date)

This Decree shall enter into force on July 23, 2009. (Proviso Omitted.)

Articles 2 through 4 Omitted.

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 Pledge)

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.

ADDENDA <Presidential Decree No. 22816, Apr. 1, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 3 (1) 2, 193-2 and 256 (3) shall enter into on April 1, 2011, the amended provisions of Articles 236 (4) and (5), 236-6 through 236-8 shall enter into force on July 1, 2011, the amended provisions of Articles 3 (1) 1, 237 through 240, 241 (2) through (4), 242, 245 (1) and 288 (8) shall enter into force on the date when the Free Trade Agreement between European Union and its Member States and the Republic of Korea comes into effect (in case of patent and design right, the date when two years pass from the date when the above Free Trade Agreement comes into effect).

Article 2 (General Applicability)

This Decree shall apply beginning with the first export or import declaration filed after this Decree enters into force.

Article 3 (Applicability to Publication of Average Declared Price of Imported Goods)

The amended provisions of Article 16-2 shall apply beginning with the first declaration filed after this Decree enters into force.

Article 4 (Applicability to Revocation of Designation of Cargo Manager)

The amended provisions of Article 187-2 shall apply beginning with the first case for which the ground for revocation of designation occurs after this Decree enters into force.

Article 5 (Applicability to Penalty Charge)

The amended provisions of Article 193-2 shall apply beginning with the first case for which the ground for suspension of the shipment of the goods occurs after the amended provisions of Article 193-2 enter into force pursuant to the proviso to Article 1 of the Addenda.

Article 6 (Applicability to Protection of Intellectual Property Right)

The amended provisions of Articles 237 through 240, 241 (2) through (4), 242, 245 (1) and 288 (8) shall apply beginning with the first export or import declaration, transshipment declaration, multi-transshipment declaration, declaration for shipment of goods into bonded area, declaration for bonded transportation or

declaration for temporary unloading after the amended provisions of Articles 237 through 240, 241 (2) through 4, 242, 245 (1) and 288 (8) enter into force pursuant to the proviso to Article 1 of the Addenda.

Article 7 (Applicability to Omission of Provision of Security at the time of Shipping Goods out of Storage Warehouse prior to Acceptance of Import Declaration)

The amended provisions of Article 256 (3) shall apply from the first goods to be shipped out of the storage warehouse after the amended provisions of Article 256 (3) enter into force pursuant to the proviso to Article 1 of the Addenda.

Article 8 (Transitional Measures concerning Designation of Cargo Manager)

A cargo manager designated under the previous provisions as at the time this Decree enters into force shall be deemed a cargo manager designated under Article 187 and the period of validity of such designation shall be the period beginning from the date this Decree enters into force to the date three years pass after this Decree enters into force, notwithstanding the amended provisions of Article 187 (4).

ADDENDUM <Presidential Decree No. 23127, Sep. 7, 2011>

This Decree shall enter into force on October 26, 2011.

ADDENDUM <Presidential Decree No. 23488, Jan. 6, 2012>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Article 2 Omitted.

ADDENDUM <Presidential Decree No. 23602, Feb. 2, 2012>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: *Provided*, That the amended provisions of Articles 1, 34 (2), 39 (2) and (3), 135-2 through 135-4, and 168-2 shall enter into force on March 1, 2012, and the amended provisions of Articles 1-3 (6), 27 (4) through (7), 35, 144, 147, 148, 153-2, 154, 187 (6),

188 (4), and 231 (4) shall enter into force on July 1, 2012.

Article 2 (General Applicability)

This Decree shall apply from the first export or import declaration filed after this Decree enters into force.

Article 3 (Applicability, etc. to Prior Notification for Renewal of Period of Validity)

- (1) The amended provisions of Articles 1-3 (6), 187 (6), 188 (4), and 231 (4) shall apply from the period of validity arriving after such provisions enters into force pursuant to the proviso to Article 1 of the Addenda.
- (2) Notwithstanding the proviso to Article 1 of the Addenda, where necessary for giving a prior notification about the period of validity arriving pursuant to paragraph (1), each amended provisions set forth paragraph (1) shall be deemed entered into force and a prior notification may be given under the relevant amended provisions.

Article 4 (Applicability to Domestic Sales Price, etc. of Imported Goods)

The amended provisions of Article 27 (4) through (7) may also apply to cases advantageous to taxpayers, such as the reduction of dutiable value of goods by applying the amended provisions to goods for which duty declarations have been filed under Article 38 (1) of the Act and the examinations thereof are being conducted under Article 38 (2) as of July 1, 2012.

Article 5 (Applicability to Partial Exemption of Additional Duty)

The amended provisions of Article 39 (2) and (3) (limited to the amendment to paragraph (2) 2-2) shall apply from the first amended duty return filed after such provisions enters into force pursuant to the proviso to Article 1 of the Addenda.

Article 6 (Applicability to Period for Customs Investigations)

The amended provisions of Article 139-2 (1) and (3) through (5) shall apply from the first investigation conducted after this Decree enters into force.

Article 7 (Applicability to Application for Pre-Assessment Review to Commissioner of the Korea Customs Service)

The amended provisions of subparagraph 5 of Article 143 shall apply from the first application for pre-assessment review filed after this Decree enters into force.

Article 8 (Applicability to Standards for Designating Electronic Document Brokerage Operators)

The amended provisions of Article 285-4 (1) 2 shall apply from the first designation made after this Decree enters into force.

ADDENDUM <Presidential Decree No. 23759, May 1, 2012>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Article 2 (Applicability to Public Announcement of Test)

An amendment to the period for public announcement of a test under this Decree shall apply from the test to be conducted on or after January 1, 2013.

ADDENDUM <Presidential Decree No. 23827, Jun. 5, 2012>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: *Provided*, That the amended provisions of Article 147 (3) 1, (4) 1 (a) and (b), and (6) which have been partly amended by the Enforcement Decree of the Customs Act (Presidential Decree No. 23602) shall enter into force on July 1, 2012.

ADDENDUM <Presidential Decree No. 23845, Jun. 7, 2012>

Article 1 (Enforcement Date)

This Decree shall enter into force on June 8, 2012.

Articles 2 through 4 Omitted.
