

# CUSTOMS ACT

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Act No. 6777, Dec. 18, 2002

Act No. 7009, Dec. 30, 2003

Act No. 7222, Oct. 5, 2004

Act No. 7581, Jul. 13, 2005

Act No. 7849, Feb. 21, 2006

Act No. 7887, Mar. 24, 2006

Act No. 8050, Oct. 4, 2006

Act No. 8136, Dec. 30, 2006

Act No. 8367, Apr. 11, 2007

Act No. 8356, Apr. 11, 2007

Act No. 8833, Dec. 31, 2007

Act No. 8860, Feb. 29, 2008

Act No. 8852, Feb. 29, 2008

Act No. 9261, Dec. 26, 2008

Act No. 9410, Feb. 6, 2009

Act No. 9617, Apr. 1, 2009

Act No. 9625, Apr. 22, 2009

Act No. 9709, May 27, 2009

Act No. 9910, Jan. 1, 2010

Act No. 9924, Jan. 1, 2010

Act No. 9968, Jan. 25, 2010

Act No. 10195, Mar. 31, 2010

Act No. 10424, Dec. 30, 2010

Act No. 10897, Jul. 25, 2011

Act No. 11121, Dec. 31, 2011

Act No. 11458, jun. 1, 2012

Act No. 11602, Jan. 1, 2013

Act No. 11690, Mar. 23, 2013

Act No. 11873, jun. 7, 2013

Act No. 12027, Aug. 13, 2013  
Act No. 12159, Jan. 1, 2014  
Act No. 12307, Jan. 21, 2014  
Act No. 12844, Nov. 19, 2014  
Act No. 12847, Dec. 23, 2014  
Act No. 13548, Dec. 15, 2015  
Act No. 13856, Jan. 27, 2016  
Act No. 14127, Mar. 29, 2016  
Act No. 14379, Dec. 20, 2016  
Act No. 14839, Jul. 26, 2017  
Act No. 15218, Dec. 19, 2017  
Act No. 16093, Dec. 31, 2018

### **Article 1 (Purpose)**

The purpose of this Act is to properly administer the assessment and collection of customs duties and the customs clearance of exported and imported goods, and to secure revenues from customs duties, with the aim of contributing to the development of the national economy.

### **Article 2 (Definitions)**

The terms used in this Act shall be defined as follows:

1. The term "import" means shipping foreign goods into the Republic of Korea (referring to any foreign goods shipped from the bonded area in Korea in cases of those passing through the bonded area) or consuming and using them (referring to the consumption and use of foreign goods within the means of transportation, but excluding the consumption and use of foreign goods falling under any of subparagraphs of Article 239) in Korea;
2. The term "export" means shipping domestic goods into foreign countries;
3. The term "return" means shipping foreign goods which have arrived in Korea back to a foreign country without undergoing import clearance;
4. The term "foreign goods" means any of the following goods:
  - (a) Goods (including fish, marine life, etc. collected or caught by foreign fishing boats, etc. in the high seas (including the high seas and the economic sea zone, other than the territorial waters of any foreign country; hereinafter the same shall apply)) which arrive in Korea from any foreign country before an import declaration thereon under Article 241 (1) (hereinafter referred to as "import declaration") has been accepted;
  - (b) Goods on which export declaration under Article 241 (1) (hereinafter referred to as "export declaration") has been accepted;

5. The term "domestic goods" means any of the following goods:
  - (a) Goods which exist in Korea and which are not foreign goods;
  - (b) Fisheries products, etc. collected or caught by Korean vessels, etc. in the high seas;
  - (c) Goods on which import declaration filed under Article 244 (1) prior to their arrival at the port of entry (hereinafter referred to as "import declaration prior to arrival") has been accepted;
  - (d) Goods shipped into Korea upon shipment approval before an import declaration under Article 252 has been accepted;
  - (e) Goods shipped into Korea on the immediate shipment declaration prior to filing an import declaration under Article 253 (1);
6. The term "foreign trade vessel" means a vessel sailing between Korea and foreign countries for international trade;
7. The term "foreign trade aircraft" means an aircraft flying between Korea and foreign countries for international trade;
8. The term "domestic vessel" means a vessel sailing exclusively within the territorial waters of Korea;
9. The term "domestic aircraft" means an aircraft flying exclusively in the territorial air of Korea;
10. The term "vessel supplies" means beverages, foodstuff, fuel, consumables, wire ropes, spare parts for repairs and components, office fixtures and other similar goods which are used exclusively for the relevant vessel;
11. The term "aircraft supplies" means supplies which correspond to the vessel supplies and used exclusively for the relevant aircraft;
12. The term "vehicle supplies" means supplies which correspond to the vessel supplies and used exclusively for the relevant vehicle;
13. The term "customs clearance" means exporting, importing or returning goods according to procedures prescribed by this Act;
14. The term "transshipment" means transshipping goods from any entering or incoming means of transportation onto any departing or outgoing means of transportation in the jurisdictional area of the same customs office;
15. The term "combined transshipment" means transshipping goods from any entering or incoming means of transportation onto any departing or outgoing means of transportation in the jurisdictional area of another customs office;
16. The term "operator" means any of the following persons:
  - (a) A person who has obtained a patent for establishing and operating a licensed bonded area under Article 174 (1);
  - (b) A person who has filed a report on the establishment and operation of a general bonded workplace under Article 198 (1).

### **Article 3 (Priority Given to Collection of Customs Duties)**

(1) The collection of customs duties on dutiable goods shall take precedence over the collection of other taxes, public charges and claims thereon.

(2) If customs duties are collected in the same manner as national taxes are collected and the object of a disposition taken for recovery of arrears is property other than dutiable goods, the same priority order as national taxes under the Framework Act on National Taxes shall be given to such customs duties.

#### **Article 4 (Imposition and Collection of Internal Taxes, etc.)**

(1) Where the Framework Act on National Taxes, the National Tax Collection Act, the Value-Added Tax Act, the Local Tax Act, the Individual Consumption Tax Act, the Liquor Tax Act, the Education Tax Act, the Traffic, Energy and Environment Tax Act, and the Act on Special Rural Development Tax conflict with this Act with respect to the imposition, collection, refund, etc. of a value-added tax, local consumption tax, tobacco consumption tax, local education tax, individual consumption tax, liquor tax, education tax, traffic, energy and environment tax, and special rural development tax (hereinafter referred to as "internal taxes, etc." and inclusive of surcharges, additional duties, and expenses for disposition on default) that are imposed and collected by the head of a customs office on imported goods, the provisions of this Act shall prevail. *<Amended by Act No. 11602, Jan. 1, 2013; Act No. 13636, Dec. 29, 2015>*

(2) Where a person liable to pay duties fails to pay internal taxes, etc. on imported goods that the head of a customs office shall impose and collect, the head of a tax office having jurisdiction over the place of domicile of such person (in case of a corporation, the seat of the head office or the principal office as indicated in the register of such corporation) may collect the amount of internal taxes, etc. in arrears, as prescribed by Presidential Decree, if deemed necessary in consideration of the efficiency of collection, etc. *<Newly Inserted by Act No. 11602, Jan. 1, 2013>*

(3) The provisions of this Act concerning the assessment, collection, refund, etc. of customs duties shall apply to the imposition, collection, refund, etc. of surcharges, additional duties and expenses for disposition on default under this Act. *<Amended by Act No. 11602, Jan. 1, 2013>*

(4) The provisions of this Act concerning security on customs duties shall apply to demand for security on internal taxes, etc. on imported goods that the head of a customs office shall impose and collect, the appropriation for national taxes, the release of security, the amount of security, etc. *<Newly Inserted by Act No. 11602, Jan. 1, 2013>*

#### **Article 5 (Standards of Legal Interpretations and Prohibition on Retroactive Assessment of Customs Duties)**

(1) This Act shall be interpreted and applied in such a manner that the property rights of any duty payer are not unfairly infringed on in light of the equity of taxation and the basic purposes of the relevant provisions.

(2) Once the interpretation of this Act or the practices of tariff administration has been generally accepted by duty payers, any act done or any calculation made according to such interpretation or practices shall be deemed lawful and no customs duties shall be assessed retroactively according to any new interpretation or practices.

(3) Matters concerning the interpretation of this Act that meet the standards prescribed in paragraphs (1) and (2) may be deliberated on by the Examination Committee on Established Rules for National Taxes under Article 18-2 of the Framework Act on National Taxes. <Newly Inserted by Act No. 11121, Dec. 31, 2011>

(4) Matters necessary for the procedures, methods, etc. for handling questions and answers concerning the interpretation of this Act shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 11121, Dec. 31, 2011>

#### **Article 6 (Good Faith and Sincerity)**

Each duty payer shall fulfill his/her obligations in good faith and sincerity and each customs officer shall also perform his/her duties in the same manner.

#### **Article 7 (Limits on Discretion of Customs Officers)**

Each customs officer shall strictly adhere to the limits generally deemed reasonable in light of the equity of taxation and the purposes of this Act in carrying out his/her duties at his/her discretion.

#### **Article 8 (Calculation of Terms and Time Limits)**

(1) In the calculation of any term provided for in this Act, if approval is granted for shipping imported goods into Korea prior to the acceptance of an import declaration filed in accordance with Article 252, the date of approval shall be deemed the date on which such import declaration is accepted.

(2) The calculation of any term provided for in this Act shall be governed by the Civil Act, except as specifically provided for in this Act.

(3) If the time limit provided for in this Act falls on a holiday (including Workers' Day under the Designation of Workers' Day Act and Saturdays) or a day prescribed by Presidential Decree, the next day shall be such time limit.

(4) If any declaration, application, approval, permission, acceptance, issuance, notice, notification, payment, etc. pursuant to this Act within a time limit set under this Act is impossible due to a malfunction, prescribed by Presidential Decree, of the Comprehensive Customs Duties Information Network of Korea or electronic data processing equipment as provided for in Article 327, the following day of the date on which such malfunction is repaired shall be such time limit.

#### **Article 9 (Time Limit etc. for Payment of Customs Duties)**

(1) Except as otherwise expressly provided for in this Act, the time limit for payment of customs duties shall be classified as follows:

1. Where a declaration for duty payment is filed in accordance with Article 38 (1): Within 15 days from the date of receipt of such declaration;
2. Where a duty payment notice is served in accordance with Article 39 (3): Within 15 days from the date of receipt of such notice;
3. Where an immediate shipment declaration prior to an import declaration is filed in accordance with Article 253 (1): Within 15 days from the date of filing of such import declaration.

(2) A person liable to pay duties may pay the relevant customs duties even before his/her import declaration is accepted, notwithstanding paragraph (1).

(3) Where a bona fide duty payer, who satisfies the requirements determined by the Commissioner of the Korea Customs Service based on the tax payment records, etc., files an application, as prescribed by Presidential Decree, the head of a customs office may permit him/her to make en bloc payment of duties whose time limit for payment falls in the same month by the last day of the month in which the said time limit falls, notwithstanding paragraph (1) 1 and 3. In such cases, the head of the customs office may require him/her to provide security equivalent to the amount of customs duties, if deemed necessary. <Amended by Act No. 14379, Dec. 20, 2016>

#### **Article 10 (Extension of Time Limits due to Natural Disasters, etc.)**

Where deemed impracticable to file a declaration, an application or a request; submit other documents; give notice; or make payment or collection pursuant to this Act by the specified time limit due to natural disasters and other grounds prescribed by Presidential Decree, the head of a customs office may extend such time limit for a specified period of up to one year, as prescribed by Presidential Decree. In such cases, the head of the customs office may require him/her to provide security equivalent to the amount of customs duties, if deemed necessary. <Amended by Act No. 14379, Dec. 20, 2016>

#### **Article 11 (Service of Duty Payment Notices)**

(1) Each payment notice of customs duties shall be served by person, mail or electronic delivery referred to in Article 327 except when such notice is directly given to a person liable for duty payment. <Amended by Act No. 13548, Dec. 15, 2015>

(2) When the head of a customs office is unable to serve a payment notice of customs duties on a person liable to pay customs duties because his/her domicile, residence, place of business or office is unidentifiable, he/she may publish matters concerning such duty payment notice on the bulletin board of his/her customs office or in other appropriate place.

(3) When matters concerning a duty payment notice are published pursuant to paragraph (2), the duty payment notice shall be deemed served on a person liable to pay customs duties from 14 days after the date of such publication.

#### **Article 12 (Storage Period for Declaration Documents)**

A person who has filed a value declaration, declaration for duty payment, export and import declaration, return declaration, shipment declaration on bonded goods, and a declaration on bonded transportation, or has presented a cargo manifest pursuant to this Act shall retain the filed or presented documents (including a declaration completion certificate) for a period prescribed by Presidential Decree up to five years from the date on which he/she has filed declarations or presented the relevant documents. <Amended by Act No. 11121, Dec. 31, 2011>

#### **Article 14 (Dutiable Goods)**

Customs duties shall be assessed on imported goods.

## **Article 15 (Duty Base)**

The duty base of customs duties shall be determined based on the price or quantity of imported goods.

## **Article 16 (Timing for Determining Dutiable Goods)**

Customs duties shall be assessed on imported goods according to their natures and quantities when an import declaration (including any import declaration prior to arrival; hereafter the same shall apply in this Article) is filed: Provided, That customs duties shall be assessed on any of the following imported goods according to their natures and quantities at the time prescribed in each applicable subparagraph: <Amended by Act No. 16093, Dec. 31, 2018>

1. Goods on which customs duties are collected in accordance with Article 143 (6) (including cases applicable mutatis mutandis to Article 151 (2)): When permission is granted for cargo handling;
2. Goods on which customs duties are collected in accordance with Article 158 (7): When approval is granted for repair works outside a bonded area;
3. Goods on which customs duties are collected in accordance with Article 160 (2): When relevant goods have been destroyed or lost, or discarded;
4. Goods on which customs duties are collected in accordance with Article 187 (7) (including cases applicable mutatis mutandis to Articles 195 (2) and 202 (3)): When permission is granted or a report is filed with respect to work at places other than a bonded factory, a bonded construction work site or a general bonded area;
5. Goods on which customs duties are collected in accordance with Article 217: When a report is filed or approval is granted with respect to bonded transportation;
6. Goods consumed or used before an import declaration is accepted (excluding any good whose consumption or use is not deemed import under Article 239): When relevant goods have been consumed or used;
7. Goods shipped out after an immediate shipment declaration is filed prior to an import declaration in accordance with Article 253 (1): When an immediate shipment declaration is filed prior to filing an import declaration;
8. Goods imported by mail (excluding postal items falling under Article 258 (2)): When the relevant goods arrive at a customs clearance post office in accordance with Article 256 (hereinafter referred to as "customs clearance post office");
9. Stolen or missing goods: When the relevant goods are stolen or missing;
10. Goods sold in accordance with this Act: When the relevant goods are sold;
11. Goods imported without filing an import declaration thereon (excluding goods provided for in subparagraphs 1 through 10): When the relevant goods are imported.

## **Article 17 (Applicable Statutes)**

Customs duties shall be assessed in accordance with the statutes in force at the time an import declaration is filed: Provided, That customs duties on any of the following imported goods shall be assessed in accordance with the statutes in force on the date falling under each of the following subparagraphs:

1. Goods falling under any subparagraph of Article 16: The date on which the fact accrues;
2. Foreign goods shipped into a bonded construction work site in accordance with Article 192: The date on which an import declaration is accepted before such foreign goods are used.

#### **Article 18 (Foreign Exchange Rate for Taxation)**

If a price denominated in a foreign currency is converted into the domestic currency to determine its customs value, the Commissioner of the Korea Customs Service shall determine an exchange rate thereof by averaging foreign exchange rates of the week preceding the day pursuant to Article 17 falls (referring to the date on which an import declaration is filed in cases of goods shipped into a bonded construction work site).

#### **Article 19 (Persons Liable for Duty Payment)**

(1) Any of the following persons shall be liable to pay customs duties: *<Amended by Act No. 11602, Jan. 1, 2013; Act No. 15218, Dec. 19, 2017; Act No. 16093, Dec. 31, 2018>*

1. In cases of goods on which the import declaration is filed: The owner of goods as at the time an import declaration on the relevant goods is filed (referring to any of the following persons where such owner is unidentifiable; hereafter the same shall apply in this Article): Provided, That where customs duties paid or to be paid on goods on which the import declaration is accepted or on goods shipped out upon approval of shipment before an import declaration is accepted under Article 252 fall short of the amount of customs duties payable, and the domicile and residence of the owner of such goods as at the time an import declaration on the relevant goods is filed are unidentifiable or a person that files an import declaration on behalf of the owner of goods fails to identify the owner, both the declarant and the owner of goods as at the time an import declaration on the relevant goods is filed shall jointly pay the customs duties:

- (a) Where goods are imported by any import company for its customers under entrustment: A person that entrusted the import of the relevant goods;
- (b) Where goods are not imported by any import company for its customers under entrustment: A consignee that is entered in a commercial document prescribed by Presidential Decree;
- (c) Where imported goods are transferred before an import declaration is filed: A transferee thereof;

2. In cases of goods on which customs duties are collected in accordance with Article 143 (6) (including cases that are applicable mutatis mutandis to Article 151 (2)): A person who is granted permission for loading and unloading such goods;

3. In cases of goods on which customs duties are collected in accordance with Article 158 (7): A person that is granted approval for repair work outside a bonded area;

4. In cases of goods on which customs duties are collected in accordance with Article 160 (2): An operator or a custodian;

5. In cases of goods on which customs duties are collected in accordance with Article 187 (7) (including cases that are applicable mutatis mutandis to Article 195 (2) or 202 (3)): A person that is granted permission for or files a report on work outside a bonded factory, a bonded construction work site or a



general bonded area;

6. In cases of goods on which customs duties are collected in accordance with Article 217: A person who files a report on or is granted approval for bonded transportation;

7. In cases of goods consumed or used before an import declaration is accepted (excluding goods the consumption or use of which is not deemed imported pursuant to Article 239): Consumers or users of such goods;

8. In cases of goods on which customs duties are collected in accordance with Article 253 (4): A person that immediately ships out such goods;

9. In cases of goods imported by mail: Addressee thereof;

10. In cases of stolen or missing goods: Any of the following persons:

(a) Goods stored in a bonded area: An operator of the area, or a cargo manager provided for in Article 172 (2) (hereinafter referred to as "cargo manager");

(b) Goods for bonded transportation: A person that files a report on or is granted approval for bonded transportation;

(c) Other goods: A custodian or a handler thereof;

11. A person that is otherwise prescribed as a person liable for duty payment under this Act or other Acts;

12. In cases of goods other than those provided for in subparagraphs 1 through 11: An owner or an occupant thereof.

(2) Where the owner of goods or the declarant referred to in paragraph (1) 1 coexists with the person referred to in paragraph (1) 2 through 11, the person referred to in paragraph (1) 2 through 11 shall be liable for duty payment.

(3) A person that has guaranteed the payment of customs duties under this Act or other statutes, a treaty, a convention, etc. shall be liable to pay such customs duties up to the limit of the amount guaranteed.

(4) Where a corporation is merged or inheritance is commenced, custom duties, surcharges, liability for payment of additional duties, and expenses for disposition on default shall be succeeded by applying mutatis mutandis Article 23 or 24 of the Framework Act on National Taxes. In such cases the "head of a tax office" under Article 24 (2) and (4) of the same Act shall be deemed the "head of a customs office".

*<Newly Inserted by Act No. 12159, Jan. 1, 2014>*

(5) Persons prescribed as follows shall be liable to jointly and severally pay the custom duties, surcharges, liability for payment of additional duties, and expenses for disposition on default related to the goods referred to in paragraph (1): *<Newly Inserted by Act No. 12159, Jan. 1, 2014; Act No. 15218, Dec. 19, 2017>*

1. In cases of goods on which the import declaration is filed under paragraph (1) 1, the following persons:

(a) Where the goods on which the import declaration is filed are co-owned or belong to a joint business: A person liable for duty payment who is a co-owner or joint business operator;

(b) Where a person that files an import declaration reports a person, who is not the owner of goods as at the time the import declaration is filed, as a person liable for duty payments, when filing the import declaration: Where a person reported as a person that files an import declaration or as a person liable for duty payment has been declared guilty by the final and conclusive judgment by having committed an offense of evading customs duties, an offense of receiving the reduction of, or exemption from, customs duties by any illegal means under Article 270 (1) or (4), or an offense referred to in Article 271 (1) (limited to cases where he/she knowingly abets or aids any offense set forth in Article 270 (1) or (4)), the person who has filed the import declaration, the person reported as the person liable for duty payment, and the owner of goods as at the time the import declaration has been filed: Provided, That this shall not apply to any person who has filed the import declaration or person reported as the person liable for duty payment who enjoys no benefit of tax evasion or illegal tax reduction or exemption;

2. Where two or more persons are liable for duty payment for the goods referred to in paragraph (1) 2 through 12, such two or more persons that are liable for duty payment.

(6) In any of the following subparagraphs, a corporation that is split off, a corporation newly established by split and merger, a corporation that is the other party to the split and merger, and a new company shall be liable to jointly and severally pay the custom duties, surcharges, liability for payment of additional duties, and expenses for disposition on default: *<Newly Inserted by Act No. 12159, Jan. 1, 2014>*

1. Where a corporation is split-off or split and merged;

2. Where a person is dissolved as a consequence of a split-off or split and merger;

3. Where a corporation establishes a new company under Article 215 of the Debtor Rehabilitation and Bankruptcy Act.

(7) Articles 413 through 416, 419, 421, 423, and 425 through 427 of the Civil Act shall apply mutatis mutandis to the liability to jointly and severally pay the custom duties, surcharges, liability for payment of additional duties, and expenses for disposition on default under this Act. *<Newly Inserted by Act No. 12159, Jan. 1, 2014>*

(8) Articles 38 through 41 of the Framework Act on National Taxes shall apply mutatis mutandis to the collection of customs duties.

(9) Any person that has the secondary liability to pay duties pursuant to Articles 38 through 41 of the Framework Act on National Taxes that are applied mutatis mutandis under paragraph (8) shall be liable to pay the customs duties where no security has been offered for the payment of customs duties and a person liable for duty payment and any other person who has guaranteed the payment of customs duties fail to fulfill their liability to pay customs duties. *<Amended by Act No. 12159, Jan. 1, 2014>*

(10) Where a person that is liable for duty payment (including a person that guarantees the payment of customs duties and any person that has the secondary liability to pay duties; hereafter the same shall apply in this Article) fails to pay customs duties, surcharges, additional duties, or expenses for disposition on default, yet possesses any mortgaged property stipulated in Article 42 (2) of the Framework Act on

National Taxes, such mortgaged property may be used to pay such customs duties, surcharges, additional duties, or expenses for disposition on default by applying Article 13 of the National Tax Collection Act mutatis mutandis only when proceeds from the disposal of other property of the person liable for duty payment fall short of the amount to be collected: Provided, That this shall not apply to any collateralized property that has been used as a security prior to the date on which a declaration for duty payment was filed (referring to the date on which a duty payment notice is delivered where an assessment notice is served in accordance with Article 39).

#### **Article 20 (Extinguishment of Liability to Pay Customs Duties)**

The liability to pay customs duties, surcharges, or expenses for disposition on default shall be extinguished in any of the following subparagraphs:

1. When customs duties are paid or any property is appropriated for customs duties;
2. When the assessment of customs duties is revoked;
3. When customs duties are not assessed within a period during which such customs duties are assessable in accordance with Article 21 and such period expires;
4. When the extinctive prescription of the authority to collect customs duties under Article 22 expires.

#### **Article 21 (Limitation Period for Assessing Customs Duties)**

(1) No customs duty may be assessed after the lapse of five years from the date on which the relevant customs duties were due to be assessed: Provided, That no customs duties shall be assessed after ten years elapse from the date the relevant customs duties are due to be assessed where a trader evades customs duties or claims a refund, reduction, or exemption of customs duties by improper means: <Amended by Act No. 11121, Dec. 31, 2011; Act No. 12027, Aug. 13, 2013>

1. and 2. Deleted. <by Act No. 12027, Aug. 13, 2013>

(2) In any of the following subparagraphs, notwithstanding paragraph (1), a rectification or other necessary dispositions may be made in accordance with the relevant decision, ruling, reply, or application for rectification, until one year has passed from the date a decision or ruling prescribed in subparagraphs 1 through 5 is finalized or a reply thereto is received or until two months have passed from the date of filing an application for rectification under subparagraph 6 and from the date of giving notice of a decision under subparagraph 7: <Amended by Act No. 11121, Dec. 31, 2011; Act No. 11602, Jan. 1, 2013>

1. Where a decision is made with regard to an application for objection, examination, or adjudication filed under Section 2 of Chapter V (Articles 119 through 132);
2. Where a decision is made with regard to a request for examination filed under the Board of Audit and Inspection Act;
3. Where a ruling is made with regard to litigation instituted under the Administrative Litigation Act;
4. Where a decision is made to return seized goods pursuant to Article 313;
5. Where a request has been made to a customs office of a country that issued a certificate of origin or other agency that has authority to issue a certificate of origin, to verify the authenticity, accuracy, etc. of a certificate of origin and supporting documents for the certificate of origin in order to determine

whether the bound tariff rate is applicable, the amount of tariff, etc., as prescribed by this Act, the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements, agreements, treaties, etc., and a reply to such request is received;

6. Where an application for rectification is filed pursuant to Article 38-3 (2) and (3) or Article 38-4 (1);

7. Where notice of a decision on application for adjustment pursuant to Article 38-4 (4) is given.

(3) The date customs duties may be assessed pursuant to paragraph (1) shall be determined by Presidential Decree.

#### **Article 22 (Extinctive Prescription of Authority, etc. to Collect Customs Duties)**

(1) Authority to collect customs duties shall be extinguished by prescription unless it is exercised for the period classified as follows from the date on which such authority is granted: <Amended by Act No. 12847, Dec. 23, 2014>

1. Customs duties exceeding 500 million won (including internal taxes; hereafter the same shall apply in this paragraph): Ten years;

2. Custom duties other than those set forth in subparagraph 1: Five years.

(2) The right to claim the refund of customs duties overpaid or erroneously paid by a duty payer or other customs duties shall be extinguished by prescription unless it is exercised for five years from the date on which such right is granted.

(3) The date on which authority to collect customs duties referred to in paragraph (1) and the right to claim the refund of customs duties overpaid or erroneously paid or other customs duties referred to in paragraph (2) may be exercised, shall be prescribed by Presidential Decree.

#### **Article 23 (Suspension and Discontinuation of Prescription)**

(1) An extinctive prescription of the authority to collect customs duties shall be suspended on any of the following grounds:

1. A duty payment notice;

2. A disposition of rectification;

3. A notice of demand for duty payment (including a preemptory notice of demand for duty payment);

4. A disposition taken for serving a notice;

5. A complaint filed;

6. A public prosecution instituted in accordance with Article 16 of the Act on the Aggravated Punishment, etc. of Specific Crimes;

7. A request for issuance;

8. A seizure.

(2) An extinctive prescription of a right to request any refund of paid customs duties shall be suspended by the exercise of the right to request such refund.

(3) An extinctive prescription of the authority to collect customs duties shall not progress during the period for payment in installments, the grace period for suspension of collection or disposition on default, or the proceedings of a lawsuit seeking cancellation of a fraudulent act.

(4) The discontinuation of prescription due to a lawsuit seeking cancellation of a fraudulent act pursuant to paragraph (3) shall become ineffective when the lawsuit is dismissed, turned down, or withdrawn.

(5) The Civil Act shall apply mutatis mutandis to the extinctive prescription of the authority to collect customs duties and a right to request any refund, except as otherwise provided for in this Act.

#### **Article 24 (Types, etc. of Security)**

(1) Types of security offered pursuant to this Act shall be as follows:

1. Money;
2. Government bonds or municipal bonds;
3. Securities approved by the head of a customs office;
4. Guarantee insurance policy on duty payment;
5. Land;
6. Registered or recorded buildings, factory foundations, mining foundations, vessels, aircraft or construction machinery which have been covered by insurance;
7. Letters of guarantee for payment of customs duties by guarantors approved by the head of a customs office.

(2) Guarantee insurance policy on duty payment and letters of guarantee for payment of customs duties referred to in paragraph (1) 4 and 7 shall include details assuring that upon a request from the head of a customs office, an amount to be paid by a specific person will be paid to the head of a customs office at any time after the specified time lapses.

(3) Matters necessary for the offering of security referred to in paragraph (1) shall be prescribed by Presidential Decree.

(4) A person liable for duty payment (including a person who guarantees the payment of customs duties) may offer, in advance, the comprehensive security covering a certain period, as prescribed by the Commissioner of the Korea Customs Service, to the head of a customs office when grounds requiring him/her to retain his/her security offered under this Act exist.

#### **Article 25 (Appropriation of Security for Customs Duties)**

(1) If a person liable for duty payment who has offered security fails to pay the relevant customs duties by the time limit for payment of such customs duties, the head of a customs office may appropriate such security for the customs duties payable, as prescribed by Ordinance of the Ministry of Strategy and Finance. In such cases, when the money offered as security is appropriated to the relevant customs duties, Article 41 shall not apply even if the appropriation is made after the time limit for payment of customs duties lapses.

(2) If there exists a remaining balance from the appropriation of security for customs duties in accordance with paragraph (1), the head of a customs office may pay the remainder to a person who has offered such security, and the head of the customs office may deposit the remainder if the pay-back of the remainder is not possible.

(3) If a person who is not liable to pay duties guarantees the payment of customs duties, the head of a customs office shall appropriate such security to the relevant customs duties and pay any remainder from the appropriation of such security directly back to the person who has offered such security.

#### **Article 26 (Collection of Customs Duties in Cases of Absence of Security, etc.)**

(1) If no security is offered for customs duties or the collected amount falls short of the customs duties payable, the collection of such customs duties shall be governed by the precedents of the Framework Act on National Taxes and the National Tax Collection Act, except as otherwise provided for in this Act.

(2) When the head of a customs office takes a disposition to collect customs duties in arrears, he/she may levy the expense for disposition on default, which is equivalent to the cost incurred in seizure, custody, transportation and public auction of property.

#### **Article 26-2 (Cancellation of Security)**

When customs duties, surcharges and expenses for disposition on default for which security for payment was offered have been paid, the head of a customs office shall take procedures for the cancellation of security without delay.

#### **Article 27 (Value Declaration)**

(1) A person that is liable to pay customs duties shall file a value declaration on the relevant goods (hereinafter referred to as "value declaration") with the head of a customs office, as prescribed by Presidential Decree when filing an import declaration: Provided, That where it is deemed necessary to enhance the efficiency of customs clearance, a value declaration may be filed before an import declaration is made, as prescribed by Presidential Decree.

(2) Where a value declaration is filed, data related to the determination of a customs value (hereinafter referred to as "data for determination of a customs value") shall be submitted, as prescribed by Presidential Decree. *<Amended by Act No. 12027, Aug. 13, 2013>*

(3) A value declaration may be omitted for goods determined by Ordinance of the Ministry of Strategy and Finance as it is deemed clear to determine their customs value.

#### **Article 28 (Declaration, etc. of Provisional Value)**

(1) In any cases prescribed by Presidential Decree, such as where a customs value is undetermined in filing a value declaration, a person liable for duty payment may file a value declaration based on a provisional value declaration. In such cases, the methods of declaration and other necessary matters shall be prescribed by Presidential Decree.

(2) Where a person liable for duty payment files a value declaration based on a provisional value declaration in accordance with paragraph (1), he/she shall file a final value declaration with the head of a customs office within a period prescribed by Presidential Decree.

(3) Where a person liable for duty payment fails to file a final value declaration within the period pursuant to paragraph (2), the head of a customs office may determine a value to be applied to the relevant goods: Provided, That where a person liable for duty payment is deemed not to file a final value declaration because of business closure, declaration of bankruptcy, dissolution of the corporation, etc., the value to be

applied to the relevant goods may be finalized even during the period referred to in paragraph (2).  
<Amended by Act No. 13548, Dec. 15, 2015>

(4) Where the head of a customs office has received the declaration of a final value under paragraph (2) or has finalized a value pursuant to paragraph (3), he/she shall either additionally collect or refund any difference between the amount of customs duties paid by self-assessment based on a provisional value and the amount of customs duties paid based on a final value, as prescribed by Presidential Decree.

#### **Article 29 (Value Investigation Report, etc.)**

(1) Where deemed necessary to determine customs values, the Minister of Strategy and Finance or the Commissioner of the Korea Customs Service may request exporters, importers, economic organizations and other related persons to submit documents necessary to determine such customs values. In such cases, a person upon receipt of such request shall comply therewith unless any justifiable cause exists otherwise.

(2) In any of the following subparagraphs, the Commissioner of the Korea Customs Service may compile and publish documents on the average declared values or quantities of imported goods which are essential to the national living and comparable with domestic goods, as prescribed by Presidential Decree:

1. Where it is required to promote the import of specific goods for the smooth supply and demand of goods;
2. Where it is required to stabilize domestic prices of imported goods.

#### **Article 30 (Principle of Determination of Customs Value)**

(1) The customs value of imported goods shall be the transaction value adjusted by adding up the following amount to the price of goods sold for export to Korea that has been actually paid or is to be paid by a buyer: Provided, That the following amount shall be added based on the objective and quantifiable data, and if such data are unavailable, the customs value shall be determined by the methods provided for in Articles 31 through 35 instead of the methods provided for in this Article: <Amended by Act No. 11602, Jan. 1, 2013>

1. Commissions and brokerage fees to be borne by a buyer: Provided, That buying commissions shall be excluded herefrom;
2. Cost involved in containers handled in the same manner as the relevant imported goods, labor cost and material cost incurred in packing the relevant imported goods, all of which to be borne by a buyer;
3. The amount calculated by appropriately allocating the price or the balance of the discount for the goods and services in consideration of factors prescribed by Presidential Decree, such as the total production of the relevant imported goods, if a buyer supplies directly or indirectly, the goods and services prescribed by Presidential Decree, free of charge or at a discounted price, for the production and exportation of the relevant imported goods;
4. The amount computed, as prescribed by Presidential Decree, which is paid for the patent right, the utility model right, the design right, the trademark right and other rights similar thereto;
5. The amount which, directly or indirectly, is paid to a seller, among the proceeds accruing from the resale, disposal or use of the relevant imported goods;

6. The amount determined, as prescribed by Presidential Decree, which are freight, insurance bill and other costs involved in transportation to the port of entry: Provided, That for the imported goods prescribed by Ordinance of the Ministry of Strategy and Finance, all or some of such amount may be excluded herefrom.

(2) "The price that has been actually paid or is to be paid by a buyer" in the main body of paragraph (1), with the exception of its subparagraphs, means the total amount paid or to be paid by the buyer for the relevant imported goods, including the amount offsetting the debt of a seller by the price of the relevant imported goods, the amount of a seller's debt to be repaid by the buyer, and other indirect payments: Provided, That if any of the following amount is clearly separated from the total amount paid or to be paid by a buyer, it means the amount computed after deducting the following amount:

1. Costs involved in the construction, installation, assembling, repair and maintenance of the relevant imported goods, which are undertaken after importation thereof, or costs involved in providing the technical support for the relevant imported goods;
2. Freight and insurance fees necessary for transporting the relevant imported goods after their arrival at the port of entry and other costs involved in their transportation;
3. Taxes, including customs duties, imposed on the relevant imported goods in Korea, and other public charges;
4. If the relevant goods are imported on a deferred payment basis, the interest rate on such deferred payment.

(3) In any of the following subparagraphs, the customs value of the relevant imported goods shall not be the transaction value referred to in paragraph (1) but shall be determined by the methods provided for in Articles 31 through 35. In such cases, the head of a customs office shall give a prior written notice to a person liable for duty payment of the grounds that give rise to the occurrence of any of the following cases, and provide them with an opportunity to propose their opinion: *<Amended by Act No. 11121, Dec. 31, 2011; Act No. 12847, Dec. 23, 2014>*

1. Where the disposal or use of the relevant goods is restricted: Provided, That cases prescribed by Presidential Decree, such as where there is a restriction deemed by the head of a customs office as not practically affecting the transaction value referred to in paragraph (1), shall be excluded herefrom;
2. Where the effectuation of transaction or the determination of price of the relevant goods is affected by conditions or considerations which cannot be counted in terms of money;
3. Where some of the proceeds accruing from the resale, disposal or use of the relevant goods after importation thereof is paid, directly or indirectly, to a seller: Provided, That this shall not apply where a proper adjustment can be made in accordance with paragraph (1);
4. Where a special relationship prescribed by Presidential Decree between a buyer and a seller (hereinafter referred to as "special relationship") affects the determination of the price of the relevant goods: Provided, That cases prescribed by Presidential Decree, such as where it is determined in a manner conforming to the normal pricing practices in the relevant industry, shall be excluded herefrom.



(4) Where a person liable for duty payment files a value declaration based on a transaction value referred to in paragraph (1) and the relevant declared value is found to be substantially different from the value based on the transaction value of other goods of the same kind or quality or similar goods, making it difficult to recognize such declared value as the customs value, and in cases prescribed by Presidential Decree, the head of a customs office may request the person liable for duty payment to provide data attesting that the relevant customs value declared is correct, as prescribed by Presidential Decree.

(5) Where a person liable for duty payment falls under any of the following subparagraphs, the head of a customs office shall determine a customs value using the methods provided for in Articles 31 through 35 instead of the methods prescribed in paragraphs (1) and (2). In such cases, the head of the customs office shall endeavor to achieve appropriate cooperation, such as information exchange, with a person liable for duty payment in order to determine the customs value as soon as possible and notify the relevant person liable for duty payment of the reason why it is impractical to recognize the declared value as the customs value, along with the customs value determined: <Amended by Act No. 11602, Jan. 1, 2013>

1. Where he/she fails to submit the data requested under paragraph (4);
2. Where the data submitted upon a request under paragraph (4) has not been prepared in compliance with the generally accepted accounting principles;
3. Where it is impractical to recognize the declared value as the customs value on the grounds prescribed by Presidential Decree.

#### **Article 31 (Determination of Customs Value Based on Transaction Value of Goods of Same Kind or Quality)**

(1) If it is impossible to determine the customs value of any imported goods using the method provided for in Article 30, the customs value of such goods shall be determined based on a transaction value previously determined as a customs value of other goods of the same kind or quality, which meets the following requirements:

1. Other goods of the same kind or quality are required to be produced in the place of origin of the relevant goods whose customs value is to be determined and required to be loaded on the same day on which the relevant goods are loaded or to be loaded for shipment to Korea during a period for which no change takes place in market conditions or trading practices that affect prices, before and after the date on which the relevant goods are loaded;
2. The stage and volume of transactions, shipping distances, means of shipment, etc. of other goods of the same kind or quality are required to be the same as those of the relevant goods, and if any difference exists between the two goods, a price adjusted by such difference shall be the applicable transaction value.

(2) Allowing that the value is the transaction value of goods of the same kind or quality previously recognized as the customs value pursuant to paragraph (1), where reasonable grounds exist to doubt the accuracy and authenticity of such value, such value shall be excluded from basic data for determining the customs value. <Newly Inserted by Act No. 11602, Jan. 1, 2013>

(3) In the application of paragraph (1), if at least two transaction values exist for other goods of the same kind or quality, the customs value shall be determined based on the price of the goods which are most similar to the relevant goods in terms of a producer, the time, stage, volume, etc. of transactions, (hereinafter referred to as "transaction specifics, etc.") and if at least two goods with the same transaction specifics, etc. exist for not less than two prices, the customs value shall be determined based on the lowest of the prices.

**Article 32 (Determination of Customs Value Based on Transaction Value of Similar Goods)**

(1) If it is impossible to determine the customs value of any imported goods using the methods provided in Articles 30 and 31, the customs value of such goods shall be determined based on a transaction value previously determined as the customs value of similar goods, which meets the requirements referred to in each subparagraph of Article 31 (1).

(2) Allowing that the value is the transaction value of similar goods previously recognized as the customs value pursuant to paragraph (1), where reasonable grounds exist to doubt the accuracy and authenticity of such value, such value shall be excluded from basic data for determining the customs value. *<Newly Inserted by Act No. 11602, Jan. 1, 2013>*

(3) In the application of paragraph (1), if not less than two transaction values are set for the similar goods, the customs value shall be based on the transaction value of the goods that are most similar to the relevant goods in the transaction specifics, etc. and if at least two goods with the same transaction specifics, etc. exist for not less than two prices, the customs value shall be determined based on the lowest of the prices.

**Article 33 (Determination of Customs Value Based on Domestic Sale Price)**

(1) Where it is impossible to determine the customs value of any imported goods using methods provided for in Articles 30 through 32, a value computed by deducting the amount prescribed in subparagraphs 2 through 4 from the amount prescribed in subparagraph 1 shall be the customs value: Provided, That the customs value shall be determined pursuant to Article 34 upon a request by a person liable for duty payment but if the customs value cannot be determined pursuant to Article 34, they shall be determined in the order of this Article and Article 35: *<Amended by Act No. 11121, Dec. 31, 2011>*

1. The amount computed based on the unit price of goods sold in Korea in the largest volume to a person with no special relationship among the relevant goods, the goods of the same kind or quality or similar goods which are domestically sold in the same conditions as imported on the date on which an import declaration is filed with respect to the relevant goods or nearly at the same time an import declaration is filed with respect to the relevant goods;
2. The amount equivalent to an agreed commission usually paid or to be paid with respect to the domestic sale of goods, or to profit or general expenses accruing usually from the domestic sale of the goods of the same kind or quality;
3. Usual freight, insurance fees and other related expenses incurring in Korea after the arrival of imported goods at the port of entry;

4. Taxes and other public charges paid or to be paid with respect to the import of the relevant goods and their domestic sales.

(2) Even if an amount computed is based on a unit price of goods sold in Korea under paragraph (1) 1, paragraph (1) may not apply if any reasonable ground exists that makes the accuracy and authenticity of the relevant unit price doubtful. <Newly Inserted by Act No. 12847, Dec. 23, 2014>

(3) Where the relevant goods, the goods of the same kind or quality, or similar goods have not been sold in Korea on the same conditions as imported, upon a request by a person liable for duty payment, a value obtained by deducting each of the following amount from the amount computed based on the unit price of domestically processed goods sold in the largest volume to a person with no special relationship shall be the customs value:

1. The amount referred to in paragraph (1) 2 through 4;
2. Added value resulting from domestic processing.

#### **Article 34 (Determination of Customs Value Based on Computed Value)**

(1) If it is impossible to determine the customs value of any imported goods using the methods provided in Articles 30 through 33, the customs value of such goods shall be determined based on a value computed by summing up the following amounts: <Amended by Act No. 11602, Jan. 1, 2013>

1. The cost of raw materials used to produce the relevant goods, and the expenses incurred in assembling and processing the relevant goods or the price thereof;
2. An amount equivalent to profit and general expenses usually reflected when a producer of goods of the same kind and class as the relevant goods in an export country sells such goods to export to the Republic of Korea;
3. An amount determined under Article 30 (1) 6, as freight, insurance fees and other transportation costs of the relevant goods to the port of entry.

(2) Where a person liable for duty payment fails to submit necessary data to confirm the amounts prescribed in the subparagraphs of paragraph (1), such person may be exempted from the application of paragraph (1). <Newly Inserted by Act No. 11602, Jan. 1, 2013>

#### **Article 35 (Determination of Customs Value Based on Reasonable Standards)**

(1) Where it is impossible to determine the customs value of any imported goods using the methods provided for in Articles 30 through 34, the customs value of such goods shall be determined based on reasonable standards in conformity with the principles stipulated under Articles 30 through 34, as prescribed by Presidential Decree.

(2) Where it is impossible to determine a customs value using the methods provided for in paragraph (1), the customs value shall be determined in accordance with the methods acknowledged as reasonable in terms of actual and common practices of transactions, such as the method of applying the value obtained by adjusting international market price and price examined at the place of production.

#### **Article 36 (Notice of Methods, etc. of Determining Customs Value)**

If a person liable for duty payment files a written request, the head of a customs office shall notify, in writing, the person liable for duty payment of the method used to determine the customs value, the determined customs value and the calculation basis thereof.

### **Article 37 (Advance Rulings on Method for Determining Customs Value)**

(1) Where a person liable to file a declaration for duty payment pursuant to Article 38 (1) has inquiries about the following matters regarding the determination of the customs value, he/she may apply for an advance ruling to the Commissioner of the Korea Customs Service before he/she files a value declaration, as prescribed by Presidential Decree: *<Amended by Act No. 16093, Dec. 31, 2018>*

1. Matters set forth in Article 30 (1) through (3);
2. Method for determining a customs value where it is impossible to determine the customs value by the method prescribed in Article 30;
3. Method for determining the customs value of goods being traded between persons in special relationships.

(2) Upon receipt of a written request under paragraph (1), the Commissioner of the Korea Customs Service shall issue an advance ruling on the method for determining the customs value and notify the applicant of the result within the period prescribed by Presidential Decree.

(3) Where a person notified of the result under paragraph (2) has an objection against such result, he/she may file an application for a review of an advance ruling with the Commissioner of the Korea Customs Service within 30 days from the date of receipt of such notification, as prescribed by Presidential Decree. In such cases, paragraph (2) shall apply mutatis mutandis to the period for a review of the advance ruling and the notification of the result thereof. *<Newly Inserted by Act No. 12847, Dec. 23, 2014; Act No. 16093, Dec. 31, 2018>*

(4) When a person liable to pay customs duties has filed a declaration for duty payment according to the method for determining the customs value as notified pursuant to paragraph (2) or (3) and satisfies requirements prescribed by Presidential Decree, the Commissioner of the Korea Customs Service shall determine the customs value in accordance with such method of determination. *<Amended by Act No. 12847, Dec. 23, 2014>*

(5) A person notified of a result pursuant to paragraph (2) after applying for an advance ruling under paragraph (1) 3 shall submit a report including the customs value calculated by applying the method of determining the customs value determined as a result of the advance ruling, its calculation process, etc. to the Commissioner of the Korea Customs Service, as prescribed by Presidential Decree. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(6) Where a person falls under any ground prescribed by Presidential Decree, such as the case where he/she fails to submit a report referred to in paragraph (5), the Commissioner of the Korea Customs Service may modify, withdraw or cancel the result of an advance ruling notified pursuant to paragraph (2). In such cases, the Commissioner of the Korea Customs Service shall immediately notify such fact to the applicant for the advance ruling. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

### **Article 37-2 (Pre-Adjustment of Method of Determining Customs Value for Customs Duties and Method of Calculating Arm's Length Price for National Taxes)**

(1) A person, who files an application for an advance ruling under Article 37 (1) because of his/her inquiry about the matter prescribed in Article 37 (1) 3, may simultaneously file an application for the prior approval of the method of calculating the arm's length price prescribed in Article 6 (1) of the Adjustment of International Taxes Act (limited to cases subject to unilateral advance pricing agreement under the proviso to Article 6 (2) of the same Act) with the Commissioner of the Korea Customs Service to undergo pre-adjustment of the customs value for customs duties and the arm's length price for national taxes (hereafter referred to as "pre-adjustment" in this Article). *<Amended by Act No. 15218, Dec. 19, 2017>*

(2) Upon receipt of an application under paragraph (1), the Commissioner of the Korea Customs Service shall notify the Commissioner of the National Tax Service of the fact that he/she has received the application, by appending the application documents for the prior approval of the method of calculating the arm's length price, and shall consult with the Commissioner of the National Tax Service about the method of determining a customs value, the method of calculating the arm's length price, and the scope of the price to be pre-adjusted. *<Amended by Act No. 15218, Dec. 19, 2017>*

(3) When the consultation is held pursuant to paragraph (2), the Commissioner of the Korea Customs Service shall conduct pre-adjustment. *<Amended by Act No. 15218, Dec. 19, 2017>*

(4) The Commissioner of the Korea Customs Service shall notify the result of processing the application filed under paragraph (1) to the person who has filed an application for pre-adjustment and the Minister of Strategy and Finance. *<Amended by Act No. 15218, Dec. 19, 2017>*

(5) Matters necessary for the methods, procedures, etc. for filing an application for pre-adjustment under paragraphs (1) through (4) shall be prescribed by Presidential Decree.

### **Article 37-3 (Provision of Information for Assessment, etc. of Customs Duties)**

The Commissioner of the Korea Customs Service or the head of a customs office may request the Commissioner of the National Tax Service, the Commissioner of a competent Regional Tax Office or the head of a competent tax office to provide him/her with any information or data prescribed by Presidential Decree, if necessary to determine or adjust customs value and to assess or collect customs duties. In such cases, any institution in receipt of such request shall comply therewith except in extenuating circumstances.

### **Article 37-4 (Submission of Data to Determine Customs Values of Goods Imported by Persons in Special Relationships)**

(1) Where the head of a customs office reviews the appropriateness of the customs value of goods imported by a person in a special relationship as at the time the amount of customs duties is assessed under Article 38 (2), he/she may request the person in a special relationship to submit data to determine such customs value. In such cases, the scope of data to be submitted, method for submission, etc. shall be prescribed by Presidential Decree. *<Amended by Act No. 12027, Aug. 13, 2013>*

(2) Where it is unclear whether an amount that falls under Article 30 (1) is aggregated with an amount that does not fall thereunder, in the data to determine customs value submitted under paragraph (1), the head of a customs office may request the person in a special relationship to submit objective evidential data, based on which such amounts can be separately calculated. <Newly Inserted by Act No. 14379, Dec. 20, 2016>

(3) Each person in receipt of a request to submit data pursuant to paragraph (1) or (2), shall submit the relevant data within 60 days from the date of receipt of such request: Provided, That where he/she applies for an extension of the deadline for submission due to extenuating circumstances prescribed by Presidential Decree, the head of a customs office may extend the deadline up to 60 days on only one occasion. <Amended by Act No. 14379, Dec. 20, 2016>

(4) Where a person in a special relationship fails to submit data requested under paragraph (1) or (2) by the time limit prescribed in paragraph (3), a customs value based on the relevant data to determine a customs value shall be determined by the head of a customs office, by the methods prescribed in Articles 31 through 35. In such cases, the head of a customs office shall consult with a person in a special relationship, as prescribed by Presidential Decree, before determining such customs value, and shall give such person an opportunity to present his/her opinion. <Newly Inserted by Act No. 14379, Dec. 20, 2016; Act No. 16093, Dec. 31, 2018>

(5) Where a person in a special relationship proves that he/she falls under the proviso to Article 30 (3) 4, the head of a customs office shall determine the customs value as prescribed in paragraphs (1) and (2) of the same Article, notwithstanding paragraph (4). <Newly Inserted by Act No. 16093, Dec. 31, 2018>

#### **Article 38 (Payment of Customs Duties by Self-Assessment)**

(1) Each person, who intends to import goods (excluding any goods on which customs duties are assessed and collected by the head of a customs office in accordance with Article 39), shall file a declaration to pay customs duties (hereinafter referred to as "declaration for duty payment") with the head of a customs office when he/she submits an import declaration.

(2) The head of a customs office in receipt of a declaration for duty payment shall review entries in an import declaration and other matters to be verified pursuant to this Act, but shall review the amount of duty by self-assessment after receiving an import declaration: Provided, That if it is difficult to secure a duty claim on the amount of duty by self-assessment, or if it is deemed inappropriate to review the amount of duty after receiving an import declaration on the goods determined by Ordinance of the Ministry of Strategy and Finance, the amount of duty shall be reviewed before the acceptance of an import declaration.

(3) Where a person satisfying the requirements determined by the Commissioner of the Korea Customs Service in consideration of the duty payment records, the scale of imports, etc. requests for a review, the head of a customs office may permit him/her to autonomously review the amount of duty payment declared (hereinafter referred to as "self-review"), notwithstanding the main sentence of paragraph (2). In such cases, the relevant person liable for duty payment shall submit the result of the self-review to the head of a customs office.

(4) Where a person liable for duty payment has found that the amount of duty payment declared is excessive or deficient before paying it, he/she may correct the amount of duty payment declared. In such cases, the time limit for payment shall be the original time limit for payment (referring to the time limit for payment as referred to in Article 9).

(5) Matters necessary for the methods, procedures, etc. for declarations for duty payment, self-reviews, and correction of the amount of duty referred to in paragraph (4) shall be prescribed by Presidential Decree.

(6) Article 46-2 of the Framework Act on National Taxes shall apply mutatis mutandis to the payment of customs duties.

#### **Article 38-2 (Revision)**

(1) Where a person liable for duty payment has found that there exists some deficiency in the amount of payment of customs duties by self-assessment, or any errors in the customs values forming a basis for duty computation, the tariff classification, etc., he/she may apply for a revision of the relevant amount of duty to the head of a customs office, as prescribed by Presidential Decree, within six months from the date on which the amount of payment of customs duties by self-assessment has been paid (hereinafter referred to as "revision period"). *<Amended by Act No. 11121, Dec. 31, 2011>*

(2) Where the head of a customs office has found that there exists some deficiency in the amount of payment of customs duties self-assessment, or any errors in the customs values forming a basis for duty computation, the tariff classification, etc., he/she may give notice to a person liable for duty payment to enable him/her to apply for a revision during the relevant revision period, as prescribed by Presidential Decree. In such cases, the person liable for duty payment who intends to apply for a revision of the amount of duties shall file an application with the head of a customs office, as prescribed by Presidential Decree. *<Amended by Act No. 11121, Dec. 31, 2011>*

(3) Deleted. *<by Act No. 11121, Dec. 31, 2011>*

(4) Where a person liable for duty payment has filed an application for a revision of the deficient amount of duty pursuant to paragraph (1) and the latter part of paragraph (2), he/she shall pay the relevant duty by not later than the date following the date on which the relevant application for the revision has been filed.

(5) Where there still exists a deficiency in the amount of duty after revising the amount of duty in accordance with an application filed pursuant to paragraph (1) and the latter part of paragraph (2), the head of a customs office shall collect the deficient amount of duty by adding the amount computed based on the interest rate prescribed by Presidential Decree in consideration of the period from the date following the time limit for payment (referring to time limit for payment pursuant to Article 9) to the date on which the application for the revision has been filed, and the interest rate applied to time deposits of financial institutions: Provided, That the foregoing shall not apply in any of the following subparagraphs: *<Amended by Act No. 11121, Dec. 31, 2011>*

1. Where a surcharge or increased surcharge is not imposed pursuant to Article 41 (4);

2. Where a person liable for duty payment has underpaid the amount of payment of customs duties by self-assessment with just cause.

#### **Article 38-3 (Amendment and Rectification)**

(1) Where there exists any deficiency in the amount of payment of customs duties by self-assessment, a person liable for duty payment may file an amended declaration (limited to the day a period referred to in Article 21 (1) expires from the day the relevant revision period expires), as prescribed by Presidential Decree. In such cases, a person liable for the duty payment shall pay the relevant customs duties by not later than the date following the date on which the amended declaration has been filed. *<Amended by Act No. 11602, Jan. 1, 2013>*

(2) Where a person liable for duty payment becomes aware of that he/she has overpaid the amount of payment of customs duties by self-assessment, he/she may file an application for rectification of the amount of payment of customs duties by self-assessment with the head of a customs office, within five years from the date on which the first declaration for duty payment has been filed, as prescribed by Presidential Decree. *<Amended by Act No. 11121, Dec. 31, 2011; Act No. 12027, Aug. 13, 2013; Act No. 12847, Dec. 23, 2014; Act No. 14379, Dec. 20, 2016>*

(3) Where a person liable for duty payment becomes aware that he/she has overpaid the amount of duty for any reason prescribed by Presidential Decree, such as where any transaction or act, etc., which is the basis of calculating the duty base and the amount of duty in the first declaration or rectification becomes final and conclusive as different by a ruling (including a settlement or other acts as effective as the ruling) of the relevant lawsuit, he/she may file an application for rectification of the amount of duty with the head of a customs office, within two months from the date on which he/she has become aware of the occurrence of such reason, as prescribed by Presidential Decree, notwithstanding the period prescribed in paragraph (2). *<Newly Inserted by Act No. 11121, Dec. 31, 2011; Act No. 14379, Dec. 20, 2016>*

(4) Within two months from the receipt of an application for rectification under paragraph (2) or (3), the head of a customs office shall rectify the amount of duty or inform the applicant of the purport that there is no reason to rectify it. *<Newly Inserted by Act No. 14379, Dec. 20, 2016>*

(5) Where a person who has filed an application for rectification under paragraph (2) or (3) fails to receive any notification within two months as prescribed in paragraph (4), he/she may file an application for objection, examination, or adjudication under Chapter V or a request for examination under the Board of Audit and Inspection Act. *<Newly Inserted by Act No. 14379, Dec. 20, 2016>*

(6) Where the head of a customs office finds in the course of review that the amount of payment of customs duties by self-assessment, the amount of duty payment declared, or the amount of duty subject to an application for rectification under paragraphs (2) and (3), is excessive or insufficient, he/she shall rectify the said amount of duty, as prescribed by Presidential Decree. *<Amended by Act No. 11121, Dec. 31, 2011>*

#### **Article 38-4 (Rectification of Customs Value of Imported Goods after Adjustment)**



(1) Where the transaction value of imported goods becomes different from the customs value that is a basis for computing the amount of payment of customs duties by self-assessment or the amount of rectification thereof pursuant to this Act, as the Commissioner of the competent Regional Tax Office or the head of the competent tax office has adjusted the transaction value of the relevant imported goods and taken a disposition to determine or rectify the duty base and the amount of duty pursuant to Article 4 (1) of the Adjustment of International Taxes Act or as the Commissioner of the National Tax Administration has granted prior approval of retroactive application relating to the transaction value of the relevant imported goods pursuant to Article 6 (3) of the same Act, a person liable for duty payment may file an application for rectification of the amount of duty with the head of a customs office within three months from the date on which he/she is aware of such disposition or prior approval (where he/she has been notified of the imposition or prior approval, the date on which he/she has been notified) or within five years from the date on which the first declaration for duty payment has been filed, as prescribed by Presidential Decree.

*<Amended by Act No. 12159, Jan. 1, 2014; Act No. 12847, Dec. 23, 2014; Act No. 15218, Dec. 19, 2017>*

(2) Upon receipt of an application for rectification under paragraph (1), the head of a customs office may rectify the amount of duty where he/she deems that the method of adjusting the transaction value of the relevant imported goods and basis for calculation thereof are in compliance with Articles 30 through 35, as prescribed by Presidential Decree.

(3) The head of a customs office shall either rectify the amount of duty or notify the relevant applicant of the purport that no reason exists to rectify the amount of duty, within two months from the date of receipt of the application for rectification filed under paragraph (1).

(4) An applicant dissatisfied with notification by the head of a customs office under paragraph (3) may file an application for the adjustment between the arm's length price for the national tax and the customs value for customs duties, with the Minister of Strategy and Finance within thirty days from the date of receipt of said notification (where he/she fails to be notified within two months, the date on which two months pass). In such cases, Article 10-3 of the Adjustment of International Taxes Act shall apply mutatis mutandis.

(5) An applicant who has not been notified within two months as prescribed in paragraph (3), may file an application for objection, examination, or adjudication under Chapter V or a request for examination under the Board of Audit and Inspection Act from the day following the date two months have elapsed. *<Newly Inserted by Act No. 14379, Dec. 20, 2016>*

(6) If necessary to rectify the amount of duty pursuant to paragraph (2), the head of a customs office may consult with the Commissioner of the competent Regional Tax Office or the head of the competent tax office.

#### **Article 38-5 (Special Cases for Submission of Written Request for Rectification, etc. by Mail)**

Where any written request, etc. that is sent (based on the date prescribed in Article 5-2 of the Framework Act on National Taxes) by mail by not later than each time limit prescribed in Articles 38-2 (1), 38-3 (1) through (3), 38-4 (1) and (4) is arrived at the head of a customs office or the Minister of Strategy and Finance after the prescribed period, it shall be deemed to have been applied, reported or requested on the

expiration date of such period.

### **Article 39 (Notice of Duty Assessment)**

(1) In any of the following subparagraphs, the head of a customs office shall assess and collect customs duties, notwithstanding Article 38: <Amended by Act No. 11121, Dec. 31, 2011>

1. Where customs duties are collected as being applicable under subparagraphs 1 through 6 and 8 through 11 of Article 16;
2. Where facilities built in a bonded construction work site are put into operation before an import declaration thereon is accepted under Article 248;
3. Where goods shipped into a bonded area are shipped out of such bonded area (including any place other than a bonded area that is permitted to store goods under Article 156 (1)) before an import declaration thereon is accepted, in violation of Article 248 (3);
4. Where a person liable for duty payment requests for a duty assessment notice since it is difficult to determine a customs value, a tariff rate, etc. on the grounds determined by the Commissioner of the Korea Customs Service;
5. Where customs duties are collected on the immediately shipped goods under Article 253 due to a failure to file an import declaration thereon within a period fixed under paragraph (3) of the same Article;
6. Other cases determined by Ordinance of the Ministry of Strategy and Finance where any declaration for duty payment filed under Article 38 is inappropriate.

(2) Where the head of a customs office finds that any collected customs duties come short due to an error in the application of the regulations governing the duty base, tariff rate and the reduction or exemption of customs duties, etc. or on other grounds, he/she shall collect the shortage thereof.

(3) When the head of a customs office intends to collect customs duties in accordance with paragraphs (1) and (2), he/she shall give a duty payment notice to a person liable for duty payment, as prescribed by Presidential Decree.

### **Article 40 (Minimum Amount of Collectable Duty)**

If the amount of customs duties that has to be paid by a person liable for duty payment does not exceed the amount prescribed by Presidential Decree, the head of a customs office shall not collect such customs duties.

### **Article 41 (Surcharges)**

(1) If customs duties are not fully paid by the specified time limit, a surcharge equivalent to 3/100 of such customs duties in arrears shall be collected from the date on which the said time limit expires.

(2) If customs duties in arrears are not paid, a surcharge equivalent to 75/10,000 of such customs duties in arrears plus the surcharge imposed under paragraph (1) (hereafter referred to as "increased surcharge" in this Article) shall apply per month elapsed from the date on which the time limit for payment expires. In such cases, the period for which the increased surcharge is additionally collected shall not exceed 60 months. <Amended by Act No. 16093, Dec. 31, 2018>

(3) Paragraph (2) shall not apply to the amount of customs duties in arrears (including an internal tax collected by the head of a customs office, if any) less than one million won.

(4) Paragraphs (1) through (3) shall not apply to any goods prescribed by Presidential Decree, including goods directly imported by the State or local governments.

#### **Article 42 (Additional Duties)**

(1) When the head of a customs office collects underpaid customs duties pursuant to Article 38-3 (1) or (6), he/she shall collect the aggregate of the following amounts as additional duties: Provided, That he/she shall not fully or partially collect such additional duties, as prescribed by Presidential Decree where a declaration for duty payment is filed based on a provisional value declaration and customs duties are paid according to such declaration for duty payment and other cases prescribed by Presidential Decree: <Amended by Act No. 11121, Dec. 31, 2011; Act No. 12847, Dec. 23, 2014; Act No. 14379, Dec. 20, 2016>

1. 10/100 of the relevant shortage of customs duties;

2. The amount calculated by applying the following formula: Relevant shortage of customs duties × period from the date following the time limit for payment to the date on which an amended declaration is filed or a duty payment notice is served × interest rate prescribed by Presidential Decree in consideration of the interest rates, etc. applied to loans in arrears by finance companies, etc.

(2) Notwithstanding paragraph (1), where a duty payer has under-reported customs duties by an unjustifiable means (referring to a means prescribed by Presidential Decree that a duty payer violates his/her duty to file a self-assessment on the duty base for customs duties or the amount of customs duties by fully or partially concealing or disguising the fact forming the basis of the duty base or calculation of the amount of duty), the head of a customs office shall collect the aggregate of the amount equivalent to 40/100 of the relevant shortage of customs duties and the amount referred to in paragraph (1) 2 as additional duties.

(3) In assessing and collecting customs duties on goods specified in subparagraph 11 of Article 16, the head of a customs office shall collect the aggregate of the following amounts as additional duties: Provided, That this shall not apply where an additional duty is collected under Article 241 (5) or where the head of a customs office deems that such goods are imported without an import declaration on justifiable grounds, such as a natural disaster: <Newly Inserted by Act No. 13548, Dec. 15, 2015>

1. 20/100 of the relevant amount of customs duties (40/100, if the duty payer has been punished for committing an offense provided for in Article 269 or received a disposition by notice);

2. The amount calculated by applying the following calculation formula: Relevant amount of customs duties x Period from the date of import to the date on which a duty payment notice was served x Interest rate prescribed by Presidential Decree taking into consideration the interest rates applied by finance companies, etc. to loans in arrears, etc.

#### **Article 43 (On-Spot Receipt of Customs Duties)**

(1) A customs officer who inspects any of the following goods may receive customs duties assessed on such goods at a place where such inspection is carried out:

1. Travelers' belongings;
  2. Goods loaded on a wrecked ship, which are stored in a place other than a bonded area.
- (2) A customs officer who inspects goods pursuant to paragraph (1) shall receive customs duties assessed on such goods in the presence of other customs officers unless extenuating circumstances exist to the contrary.
- (3) If a customs officer who is not a public official in charge of receipt and disbursement receives customs duties pursuant to paragraph (1), such customs officer shall turn such customs duties to the public official in charge of receipt and disbursement without delay.
- (4) If a customs officer who is not a public official in charge of receipt and disbursement loses customs duties collected in accordance with paragraph (1) due to his/her failure to perform with the care of a good manager, he/she shall compensate for the loss.

#### **Article 43-2 (Postponement of Disposition on Default)**

- (1) The head of a customs office may postpone the seizure of property or the sale of seized property to be conducted according to a disposition on default with regard to an amount in arrears, as prescribed by Presidential Decree, where such postponement is deemed possible to collect the amount in arrears by operating normal business.
- (2) The head of a customs office may release the seizure of the property already seized, if deemed necessary to grant postponement under paragraph (1).
- (3) In postponing the seizure of property or releasing the seizure of the property already seized pursuant to paragraph (1) or (2), the head of a customs office may request provision of a security for payment of customs duties corresponding thereto.
- (4) Notwithstanding paragraph (3), the head of a customs office may not request provision of a security for payment of customs duties from a defaulter if such head receives a plan to pay the amount in arrears from the defaulter who has not been punished for any violation of this Act, the Act on Special Cases concerning the Refund of Customs Duties Levied on Raw Materials for Export, or the Punishment of Tax Offenses Act within recent three years as of the date the postponement of the disposition on default is determined and recognizes the validity of such plan.
- (5) Where a defaulter who has been granted the postponement of a disposition on default falls under any of the following subparagraphs, the head of a customs office may revoke the postponement of the disposition on default, and collect the amount in arrears relevant to the postponement in a lump sum: Provided, That the head of a customs office may choose not to revoke the postponement of the disposition on default where he/she deems that any justifiable ground exists in cases falling under subparagraph 1:
1. Where the amount in arrears is not paid in accordance with the relevant installment payment plan;
  2. Where an order by the head of the customs office to change the security or any other order by the head of the customs office to perpetuate the security is not followed;
  3. Where it is deemed unnecessary to grant postponement, due to changes in property status or other circumstances;

4. Where it is deemed impossible to collect the full amount in arrears relevant to the postponement until the postponed time limit by falling under any of the following cases:

- (a) Where a disposition on default has been imposed due to failure to pay any national tax, local tax or public charge;
- (b) Where compulsory execution has been conducted;
- (c) Where a disposition on suspension of transaction has been imposed in a clearing house designated under the Bills of Exchange and Promissory Notes Act or the Check Act;
- (d) Where an auction has begun;
- (e) Where the relevant corporation has been dissolved;
- (f) Where default of any customs duties has occurred or where an act intended to evade any custom duties is deemed existent.

(6) When postponing a disposition on default pursuant to paragraph (1) or revoking the postponement of a disposition on default pursuant to paragraph (5), the head of a customs office shall notify the defaulter of such fact.

(7) In any of the following subparagraphs, the head of a customs office may re-postpone a disposition on default with regard to an amount in arrears for which payment has been postponed pursuant to paragraph (1), after a period of postponement to pay such amount in arrears lapses:

- 1. Where no revocation of the postponement of a disposition on default is made pursuant to the proviso to paragraph (5);
- 2. Where the postponement of a disposition on default is revoked pursuant to paragraph (5) 3.

(8) Except as otherwise provided for in paragraphs (1) through (7), matters necessary for the postponement of a disposition on default, such as the application for, notice on, and period of postponement for a disposition on default, shall be prescribed by Presidential Decree.

#### **Article 44 (Provision of Materials on Arrears)**

(1) Where a credit information company referred to in subparagraph 5 of Article 2 of the Credit Information Use and Protection Act, a credit information collection agency referred to in subparagraph 6 of the same Article, or any other person prescribed by Presidential Decree makes a request for materials on the identity and the amount in arrears (hereinafter referred to as "materials on arrears") concerning any of the following defaulters and such request is necessary for the collection of customs duties or the public interest, the head of a customs office may provide such materials: Provided, That the head of a customs office shall not provide materials on arrears where the raising of an objection, application for examination, request for adjudication, or administrative litigation pursuant to this Act is pending in relation to customs duties, internal taxes, etc. in arrears or in other cases prescribed by Presidential Decree:

- 1. A person whose amount in arrears is not less than the amount prescribed by Presidential Decree and in whose case one year has elapsed from the date on which the default occurred;
- 2. A person who has failed to make a payment at least three times a year and whose amount in arrears is not less than the amount prescribed by Presidential Decree.

(2) Matters necessary for the procedure, etc. for providing materials on arrears under paragraph (1) shall be prescribed by Presidential Decree.

(3) A person who is provided with materials on arrears under paragraph (1) shall neither disclose nor use them for other purposes than his/her duties.

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

(1) Each customs office may establish a customs duties arrearages adjustment committee to deliberate on matters concerning the adjustment of arrears of customs duties (including an internal tax, etc. collected by the head of each customs office).

(2) Matters necessary for the establishment and operation of each customs duties arrearages adjustment committee established pursuant to paragraph (1) shall be prescribed by Presidential Decree.

#### **Article 46 (Payment of Customs Refunds)**

(1) When a person liable for duty payment claims the refund of overpayment or erroneous payment of customs duties, a surcharge, an additional duty, or an expense for disposition on default or the refund of the amount of customs duties refundable pursuant to this Act, the head of a customs office shall determine them as customs refunds without delay and refund them within 30 days, as prescribed by Presidential Decree, and also pay customs refunds he/she has confirmed even if a person liable for duty payment does not claim refund. <Amended by Act No. 11602, Jan. 1, 2013>

(2) Where the head of a customs office pays a customs refund pursuant to paragraph (1), if a person entitled to such refund is liable to pay any customs duties, any other tax, a surcharge, an additional duty or an expense for disposition on default, the head of a customs office may appropriate the refund for any of such payments. <Amended by Act No. 11602, Jan. 1, 2013>

(3) A person liable for duty payment may transfer his/her right to customs refunds to a third person, as prescribed by Presidential Decree. <Amended by Act No. 11602, Jan. 1, 2013>

(4) Notwithstanding Article 17 of the National Finance Act, customs refunds under paragraph (1) shall be paid from the revenue under the jurisdiction of the head of the relevant customs office deposited in the Bank of Korea under the Bank of Korea Act, as prescribed by Presidential Decree. <Amended by Act No. 11602, Jan. 1, 2013>

#### **Article 47 (Collection of Over-refunded Customs Duties)**

(1) When the head of a customs office discovers that a customs refund under Article 46 has been paid in excess, he/she shall collect the excess from a person who has received such refund. <Amended by Act No. 11602, Jan. 1, 2013>

(2) When the head of a customs office collects the over-refunded amount pursuant to paragraph (1), he/she shall add an amount calculated according to the interest rate prescribed by Presidential Decree accruing for a period from the date following the date on which the excess refund is made to the date on which a decision to collect the over-refunded amount is made, to such over-refunded amount. <Amended by Act No. 11602, Jan. 1, 2013>

#### **Article 48 (Surcharges on Customs Refunds)**

When the head of a customs office pays or appropriates customs refunds pursuant to Article 46, he/she shall add an amount calculated according to the interest rate prescribed by Presidential Decree accruing for a period from the initial date in calculating a surcharge on the refund of customs duties, prescribed by Presidential Decree, to the date determination of refund or determination of appropriation is made, to such customs refunds: Provided, That this shall not apply to goods to which Article 41 (1) through (3) shall not apply pursuant to paragraph (4) of the same Article. <Amended by Act No. 11602, Jan. 1, 2013>

#### **Article 49 (Types of Tariff Rates)**

The rates of customs duties assessed on imported goods in accordance with Article 14 shall be as follows:

1. Basic tariff rates;
2. Provisional tariff rates;
3. Other tariff rates prescribed by Presidential Decree or Ordinance of the Ministry of Strategy and Finance in accordance with Articles 51 through 67, 67-2 and 68 through 77.

#### **Article 50 (Priorities in Application of Tariff Rates)**

(1) Basic tariff rates and provisional tariff rates shall be governed by attached Schedules of Tariff Rates; and provisional tariff rates shall take priority over the basic tariff rates in the application thereof.

(2) Tariff rates referred to in subparagraph 3 of Article 49 shall take priority over tariff rates as shown in attached Schedules of Tariff Rates in the application according to the following order: <Amended by Act No. 16093, Dec. 31, 2018>

1. Tariff rates under Articles 51, 57, 63, 65, 67-2, 68, and subparagraph 2 of Article 69;
2. Tariff rates under Articles 73 and 74;
3. Tariff rates under subparagraphs 1, 3 and 4 of Article 69, and Articles 71 and 72;
4. Tariff rates under Article 76.

(3) Notwithstanding paragraph (2), tariff rates referred to in paragraph (2) 2 shall be preferentially applied only if such tariff rates are lower than basic tariff rates, provisional tariff rates and tariff rates referred to in paragraph (2) 3 and 4; and tariff rates under Article 71 among tariff rates referred to in paragraph (2) 3 shall be preferentially applied only if tariff rates under Article 71 are lower than tariff rates referred to in paragraph (2) 4: Provided, That the rates of tariff concessions made at a rate equivalent to the difference between domestic and foreign prices in tariff negotiations with an international organization under Article 73 and the rates of tariff concessions (including the rates of tariff concessions made to the market access quota) made to goods prescribed by Presidential Decree among agricultural, forest and livestock products to which a tariff concession was made at a rate higher than basic tariff rates in the process of opening the domestic market shall take priority over basic tariff rates and provisional tariff rates in the application thereof.

(4) The application of provisional tariff rates to goods subject to the application of provisional tariff rates in attached Schedules of Tariff Rates may be suspended, entirely or partially, as prescribed by Presidential Decree or provisional tariff rates may be raised or lowered to adjust the rate differential with basic tariff

rates.

(5) In the application of the tariff rates referred to in subparagraph 3 of Article 49, in cases of specific customs duties in attached Schedules of Tariff Rates, an amount equivalent to the relevant tariff rate shall be applied.

#### **Article 51 (Those Subject to Assessment of Anti-Dumping Duties)**

If foreign goods are imported at a price below normal pricing prescribed by Presidential Decree (hereinafter referred to as "dumping") and it is verified as a result of an investigation that any of the following subparagraphs (hereafter referred to as "material injury, etc." in this Sub-section) occurs and if it is deemed necessary to protect the relevant domestic industry, upon receipt of a request for assessment from a person interested in the relevant domestic industry and prescribed by Presidential Decree, or the relevant Minister, such foreign goods, a supplier or an exporting country thereof may be designated to be subject to anti-dumping duties not exceeding an amount equivalent to a difference between the normal pricing and the dumping price (hereinafter referred to as "dumping margin") that may be assessed on such foreign goods in addition to customs duties, as prescribed by Ordinance of the Ministry of Strategy and Finance:

1. Where the relevant domestic industry is substantially injured or is threatened with material injury;
2. Where the development of the relevant domestic industry is substantially hampered.

#### **Article 52 (Investigation on Dumping, Material Injury, etc.)**

(1) Any investigation on the fact of dumping and material injury, etc. thereby under Article 51 shall be governed by Presidential Decree.

(2) If necessary to consider enhancement of the competitiveness of the relevant industry, domestic market structure, price stabilization and trade cooperation with trading partners, etc. when assessing any anti-dumping duties, the Minister of Strategy and Finance may investigate such matters and reflect the outcomes of such investigation. *<Amended by Act No. 14379, Dec. 20, 2016>*

#### **Article 53 (Provisional Measures Prior to Assessing Anti-Dumping Duties)**

(1) In any of the following subparagraphs in which an investigation has already started to determine whether anti-dumping duties are assessed, the Minister of Strategy and Finance may designate relevant goods, a supplier or an exporting country thereof, and order an additional assessment of provisional anti-dumping duties not exceeding an amount equivalent to a provisionally estimated dumping margin for a fixed period or take a measure to order security offered (hereafter referred to as "provisional measure" in this Sub-section), as prescribed by Presidential Decree, even before such investigation is completed in order to prevent any injury which could arise during the investigation period:

1. Where there exists sufficient evidence presuming the existence of the fact of dumping and the fact of material injury, etc. caused thereby with respect to the relevant goods;
2. Where there exists the most reliable information even though the pledge provided for in Article 54 fails to be fulfilled, a request for the provision of materials with respect to carrying out such pledge and a request for permitting the verification of the provided data failed to be complied with.



(2) In any of the following subparagraphs, provisional anti-dumping duties paid shall be refunded or the offered security shall be rescinded, as prescribed by Presidential Decree:

1. Where an investigation has been closed after a request for the assessment of anti-dumping duties on goods against which the provisional measure has been taken, has been withdrawn;
2. Where a decision has been made on whether anti-dumping duties are assessed on goods against which the provisional measure has been taken;
3. Where the pledge provided for in Article 54 is accepted.

(3) Notwithstanding paragraph (2), if the amount of anti-dumping duties exceeds the amount of provisional anti-dumping duties in any of the following subparagraphs, the difference therefrom shall not be collected and if the amount of anti-dumping duties falls short of the amount of provisional anti-dumping duties, the difference therefrom shall be refunded:

1. Where the pledge provided for in Article 54 has been accepted after the existence of the fact of dumping and the fact of material injury, etc. caused thereby are made definite as a result of conducting an investigation on such dumping of the relevant goods and industrial damage caused thereby;
2. Where anti-dumping duties have been assessed retroactively in accordance with the proviso to Article 55.

#### **Article 54 (Proposal of Pledge in Connection with Anti-Dumping Duties)**

(1) If the dumping of the relevant goods and the existence of material injury, etc. caused thereby are made definite as a result of conducting a preliminary investigation to determine whether anti-dumping duties on such goods are assessed, the Minister of Strategy and Finance or the exporter of the relevant goods may propose a pledge to adjust the price of the relevant goods to the extent that the adjusted price eliminates such material injury caused by the dumping of the relevant goods or suspend the dumping export, as prescribed by Presidential Decree.

(2) If the proposed pledge referred to in paragraph (1) is accepted, the Minister of Strategy and Finance shall have the investigation suspended or terminated without taking a provisional measure or assessing anti-dumping duties: Provided, That if the Minister of Strategy and Finance deems it necessary to continue the investigation or the exporter of the relevant goods requests to continue the investigation, such investigation may continue.

#### **Article 55 (Time for Assessing Anti-Dumping Duties)**

The assessment of anti-dumping duties and the provisional measure shall apply to goods imported after the date on which such anti-dumping duties are assessed and such measure is taken, respectively: Provided, That if international conventions prescribe otherwise and Presidential Decree prescribes with respect to goods, in relation to which the provisional measure is taken, anti-dumping duties may also be assessed on such goods.

#### **Article 56 (Review, etc. on Anti-Dumping Duties)**

(1) The Minister of Strategy and Finance may, if necessary, review the assessment of anti-dumping duties and the pledge described in Article 54, as prescribed by Presidential Decree, and take necessary measures

to assess any anti-dumping duties, modify details of the pledge and refund, etc. based on the outcomes of the review.

(2) The assessment of anti-dumping duties and the pledge accepted under Article 54 shall become invalid after five years from the date on which the relevant anti-dumping duties were assessed and the pledge has been fulfilled unless the deadline for its application is otherwise set by Ordinance of the Ministry of Strategy and Finance. If details of the assessment of such anti-dumping duties and the pledge are modified based on the outcomes of the review on the dumping and industrial damage caused thereby under paragraph (1) shall become invalid after five years from the date on which such modified details are carried out unless the deadline for its application is otherwise set by Ordinance of the Ministry of Strategy and Finance.

(3) Matters necessary for the assessment of anti-dumping duties and its implementation, etc. under paragraphs (1) and (2) and Articles 51 through 55 shall be prescribed by Presidential Decree.

#### **Article 57 (Objects on which Countervailing Duties Are Assessed)**

Where the import of foreign goods which have been subsidized and financially supported (hereinafter referred to as "subsidies, etc."), directly and indirectly, in the course of their manufacturing, production or export in any foreign country is verified to fall under any of the following subparagraphs (hereafter referred to as "material injury" in this Sub-section) as a result of an investigation, and where it is deemed necessary to protect the relevant domestic industry, upon a request for assessment by a person interested in the domestic industry and prescribed by Presidential Decree, or the relevant Minister, the relevant goods, an exporter or an exporting country of such foreign goods, a supplier or an exporting country thereof may be designated; and customs duties not exceeding the amount of the subsidies, etc. (hereinafter referred to as "countervailing duty") may be assessed on the relevant goods in addition to customs duties in accordance with Ordinance of the Ministry of Strategy and Finance:

1. Where the domestic industry is substantially injured or is threatened with material injury;
2. Where the development of domestic industry is substantially hampered.

#### **Article 58 (Investigation of Payment of Subsidies, etc. and Material Injury, etc.)**

(1) Any investigation on the payment of subsidies, etc. and material injury, etc. thereby shall be governed by Presidential Decree.

(2) If necessary to consider enhancement of the competitiveness of the relevant industry, domestic market structure, price stabilization and trade cooperation with trading partners, etc. when assessing any countervailing duty, the Minister of Strategy and Finance may investigate such matters and reflect such outcomes thereon. *<Amended by Act No. 14379, Dec. 20, 2016>*

#### **Article 59 (Provisional Measures Prior to Assessment of Countervailing Duties)**

(1) Where any imported goods, into which an investigation is started to determine whether a countervailing duty thereon is assessed, are deemed to have been manufactured using the subsidies, etc. and any of the following subparagraphs occurs, the Minister of Strategy and Finance may designate their exporter and exporting country, and order the assessment of a provisional countervailing duty not

exceeding an amount equivalent to the estimated amount of the subsidies, etc. for a fixed period or take a measure to order security offered (hereafter referred to as "provisional measure" in this Sub-section), as prescribed by Presidential Decree, even before such investigation is completed in order to protect the relevant domestic industry:

1. Where it is verified that sufficient evidence exists presuming the fact that the imported goods has caused material injury to the domestic industry;
2. Where there exists the most reliable information even though the pledge provided for in Article 60 is withdrawn or fails to be fulfilled and data pertaining to the implementation of such pledge are not provided.

(2) Where an investigation is closed after a request for assessing a countervailing duty on goods, in relation to which a provisional measure is taken, is withdrawn or a decision is made on whether a countervailing duty is assessed, or the pledge provided for in Article 60 is accepted, any provisional countervailing duty paid shall be refunded and the offered security shall be rescinded, as prescribed by Presidential Decree: Provided, That in any of the following subparagraphs, if the amount of a countervailing duty exceeds the amount of a provisional countervailing duty, the difference therefrom shall not be collected and if the amount of a countervailing duty falls short of the amount of provisional countervailing duty, the difference therefrom shall be refunded:

1. Where the pledge provided for in Article 60 is accepted after the payment of the subsidies, etc. and material injury, etc. caused thereby is made definite as a result of conducting an investigation to find the payment of such subsidies, etc. and industrial damage caused thereby;
2. Where a countervailing duty has been assessed retroactively in accordance with the proviso to Article 61.

#### **Article 60 (Proposal of Pledge Relating to Countervailing Duties)**

(1) Where the fact of the payment of subsidies, etc. and material injury, etc. caused thereby is made definite as a result of conducting a preliminary investigation to determine whether a countervailing duty should be assessed under Article 57, the Minister of Strategy and Finance or the Government of the exporting country of the relevant goods may propose a pledge to take appropriate measures to abolish or cut the subsidies, etc. for the relevant goods and to eliminate the effect of damaging the importing country's industry by the subsidies, etc. and the exporter of the relevant goods pledge, with the consent of the government of the exporting country, he/she will adjust the price of the relevant goods to the extent that the effect of damaging the domestic industry by such subsidies, etc. is eliminated, as prescribed by Presidential Decree.

(2) If the proposed pledge referred to in paragraph (1) is accepted, the Minister of Strategy and Finance shall have the investigation suspended or withdrawn without taking a provisional measure or assessing a countervailing duty: Provided, That if the Minister of Strategy and Finance deems it necessary to continue the investigation on damage or the Government of such exporting country requests to continue the investigation, such investigation may continue.

#### **Article 61 (Timing for Assessing Countervailing Duties)**

The assessment of a countervailing duty and a provisional measure shall apply to goods imported after the date on which such countervailing duty is assessed and such measure is taken: Provided, That if international conventions prescribe otherwise and Presidential Decree prescribes with respect to goods, in relation to which the provisional measure is taken, a countervailing duty may also be assessed on such goods.

#### **Article 62 (Review, etc. on Countervailing Duties)**

(1) The Minister of Strategy and Finance may, if he/she deems necessary, review the assessment of a countervailing duty and the pledge provided for in Article 60, as prescribed by Presidential Decree, and take necessary measures to assess a countervailing duty, modify details of the pledge and refund, etc. based on the outcomes of the review.

(2) The assessment of any countervailing duty and the pledge accepted under Article 60 shall become invalid after five years from the date on which such countervailing duty was assessed and the pledge has been fulfilled unless the deadline for its application is otherwise set by Ordinance of the Ministry of Strategy and Finance; and if the payment of subsidies, etc. and the industrial damage caused thereby are reviewed in accordance with paragraph (1) and their details are modified according to the outcomes of such review, such modified details shall become invalid after five years from the date on which such modified details are carried out, unless the deadline for its application is otherwise set by Ordinance of the Ministry of Strategy and Finance.

(3) Matters necessary for the assessment of a countervailing duty and its implementation, etc. under paragraphs (1) and (2), and Articles 57 through 61 shall be prescribed by Presidential Decree.

#### **Article 63 (Objects on which Retaliatory Duties Are Assessed)**

(1) If any of trading partners infringes on Korea's trade interests by performing any of the following acts in relation to goods, etc. exported by Korea, customs duties may be assessed on goods imported from such trading partners within the limit of an amount equivalent to the amount of damage caused thereby (hereinafter referred to as "retaliatory duties"):

1. Cases of denying or limiting Korea's rights and interests prescribed in the General Agreement on Tariffs and Trade, bilateral treaties, etc.;
2. Cases of taking unfair and discriminatory measures against Korea.

(2) Necessary matters concerning countries against which retaliatory duties are assessed, goods, volume, tariff rates and application deadline and other matters shall be prescribed by Presidential Decree.

#### **Article 64 (Consultations about Assessment of Retaliatory Duties)**

When the Minister of Strategy and Finance assesses retaliatory duties, if he/she deems necessary, he/she may consult in advance with the relevant international organizations or the relevant country.

#### **Article 65 (Objects on which Emergency Tariffs Are Assessed)**

(1) If the outcomes of an investigation verify that the increased import of specific goods causes or is likely to cause a material injury (hereafter referred to as "material injury, etc." in this Article) on the domestic

industry which produces the same goods or goods that directly compete with such specific goods (hereafter referred to as "domestic industry" in this Article) and if it is deemed necessary to protect the domestic industry, an additional tariff may be assessed (hereafter referred to as "emergency tariff") on the relevant imported goods to the extent necessary to prevent, remedy and adjust the material injury, etc. (hereinafter referred to as "relief, etc. of injury").

(2) A decision on whether an emergency tariff is assessed and its substances shall be made after examining the necessity to protect the relevant domestic industry, international trade relations and compensation levels following the assessment of such emergency tariff and the consequent impact, etc. on the entire national economy.

(3) When the Minister of Strategy and Finance assesses an emergency tariff, he/she shall consult with the relevant country about the means of providing appropriate trade compensation for negative effects resulting from the assessment of such emergency tariff.

(4) The assessment of any emergency tariff and any provisional emergency tariff under Article 66 (1) shall apply exclusively to goods imported after a decision on the measures to assess them has been executed.

(5) The assessment period of an emergency tariff shall not exceed four years and the assessment period of a provisional emergency tariff under Article 66 (1) shall not exceed 200 days: Provided, That if any such assessment period is extended according to outcomes brought about as a result of the review conducted in accordance with Article 67, the assessment period of an emergency tariff and the assessment period of a provisional emergency tariff, the application period of import volume limit, etc. under Article 39 (1) of the Foreign Trade Act (hereafter referred to as "import quotas, etc." in this Article and Article 66) and any extended period shall not exceed eight years in aggregate.

(6) Goods subject to the assessment of an emergency tariff or a provisional emergency tariff under Article 66 (1), tariff rates, application period, volume, means of import control and other necessary matters shall be determined by Ordinance of the Ministry of Strategy and Finance.

(7) When the Minister of Strategy and Finance deems it necessary to determine whether an emergency tariff or a provisional emergency tariff under Article 66 (1) should be assessed, he/she may request the heads of the relevant administrative agencies, interested persons, etc. to render necessary cooperation, including submission of related materials.

#### **Article 66 (Assessment, etc. of Provisional Emergency Tariffs)**

(1) With respect to goods on which an investigation is started to determine whether an emergency tariff thereon should be assessed or with respect to goods against which a provisional measure under Article 7 (1) of the Act on the Investigation of Unfair International Trade Practices and Remedy against Injury to Industry is recommended, if it is determined that a failure to prevent material injury, etc. inflicted during the investigation period causes or could cause unrecoverable injury, a provisional emergency tariff may be additionally assessed to the extent which may be necessary for the relief, etc. of injury before such investigation is completed.

(2) When a decision is made on whether an emergency tariff is assessed or whether a measure such as the import quotas, etc. is taken, the assessment of a provisional emergency tariff provided for in paragraph (1) shall be suspended.

(3) When it is determined that the increased import of goods does not cause or is unlikely to cause material injury to the domestic industry as a result of conducting an investigation to determine whether an emergency tariff is assessed or whether a measure such as import quotas, etc. is taken, a provisional emergency tariff paid under paragraph (1) shall be refunded.

**Article 67 (Review of Emergency Tariffs, etc.)**

When deemed necessary, the Minister of Strategy and Finance may review determination made to assess an emergency tariff, and may modify details of the assessment of such emergency tariff according to the findings of such review. In such cases, the modified details shall not be stringent than the original ones.

*<Amended by Act No. 8852, Feb. 29, 2008>*

**Article 67-2 (Assessment of Emergency Tariff on Goods from Particular Countries)**

(1) Where the outcomes of an investigation verify that any goods, the country of origin of which is a country prescribed by Presidential Decree (hereafter referred to as "goods of a particular country" in this Article) fall under any of the following subparagraphs, emergency tariffs (hereinafter referred to as "emergency tariffs on the goods of a particular country") may be additionally assessed thereon within limits permitted at international conventions or general international rules to relieve or prevent injuries therefrom:

1. Where the increased import of the relevant goods causes or is likely to cause any disruption to the domestic market;
2. Where the relevant goods are imported or is likely to be imported to Korea following a serious trade turnaround triggered by measures taken by member countries of the World Trade Organization to relieve or prevent any injury in their respective countries caused by the increased import of the relevant goods.

(2) "Causes or is likely to cause any disruption to the domestic market" in paragraph (1) 1 means cases where the increased import of goods of a particular country causes or is likely to cause substantial injury on the domestic industry which produces the same goods or goods under direct competition with such specific goods.

(3) Necessary matters concerning goods subject to the assessment of emergency tariffs or provisional emergency tariffs on the goods of a particular country referred to in paragraph (5), tariff rates, application period, volume, means of import-control, etc. shall be determined by Ordinance of the Ministry of Strategy and Finance.

(4) When the Minister of Strategy and Finance intends to assess the emergency tariffs on the goods of a particular country, he/she may consult in advance with the particular country to figure out methods to resolve the impending trade dispute.

(5) Where it is determined that unless measures are taken to prevent disruption to the domestic market while an investigation is in progress to determine whether the emergency tariffs are assessed on the goods of a particular country pursuant to paragraph (1) 1, the domestic market is undermined by unrecoverable injury or is likely to be undermined by such injury, the provisional emergency tariffs may be assessed on the goods of the particular country (hereinafter referred to as "provisional emergency tariffs on the goods of a particular country") for up to 200 days to the extent necessary to relieve or prevent such injury before the investigation is completed.

(6) Where the goods of a particular country are determined not to disrupt the domestic market as a result of conducting an investigation to determine whether the emergency tariffs are assessed on the goods of the particular country, the provisional emergency tariffs on the goods of the particular country which are paid in accordance with paragraph (5) shall be refunded.

(7) Where member countries of the World Trade Organization discontinue taking measures against the goods of a particular country which cause Korea to assess the emergency tariffs on the goods of the particular country pursuant to paragraph (1) 2, the assessment of the emergency tariffs on the goods of the particular country shall be suspended within 30 days from the date of such discontinuation.

(8) Article 65 (2), (4) and (7), 66 (2) and 67 shall apply mutatis mutandis to the assessment of the emergency tariffs on the goods of a particular country or the provisional emergency tariffs on the goods of a particular country.

#### **Article 68 (Special Emergency Tariffs on Agricultural, Forest and Live- stock Products)**

(1) Where the import volume 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 pursuant to Article 73, sharply rise or their import prices fall, a tariff exceeding the rate of the tariff concession (hereinafter referred to as "special emergency tariffs") may be assessed, as prescribed by Presidential Decree.

(2) Goods subject to the assessment of the special emergency tariff, tariff rates, time limit of application, volume, etc. shall be determined by Ordinance of the Ministry of Strategy and Finance.

#### **Article 69 (Objects on which Adjusted Duties Are Assessed)**

In any of the following subparagraphs, customs duties may be assessed within the limit of the rate calculated by aggregating the rate obtained by deducting the basic tariff rate of the relevant goods from 100/100 to the basic tariff rate: Provided, That where the difference between domestic and foreign prices of agricultural, forest, livestock and marine products or other goods manufactured using such products as their raw materials exceeds the customs value of the relevant goods, customs duties may be assessed within the limit of the rate equivalent to the difference between such domestic and foreign prices:  
<Amended by Act No. 16093, Dec. 31, 2018>

1. Where necessary to adjust widely unbalanced tariff rates among goods resulting from changes, etc. in the industrial structure;
2. Where necessary to protect public morality and the life and health of humans, animals and plants, preserve the environment, conserve limited natural resources, and to assure international peace,

security, etc.;

3. Where necessary to protect goods developed in Korea for a certain period;

4. Where there exist risks for the domestic market or the domestic industrial foundation to be undermined by an increase in the import of goods including agricultural, forest and livestock products, whose international competitiveness is weak, hence making it necessary to correct or prevent them from such risks.

#### **Article 70 (Application Rates, etc. of Adjusted Duties)**

(1) A decision on whether customs duties referred to in Article 69 (hereinafter referred to as "adjusted duties") are assessed and on the specifics thereof shall be determined after examining the necessity to protect the relevant domestic industry, international trade relations and impacts on international peace, national security, social order, and national economy as a whole. *<Amended by Act No. 16093, Dec. 31, 2018>*

(2) Goods subject to the assessment of the adjusted duties, rates and time limit of application, etc. shall be prescribed by Presidential Decree.

#### **Article 71 (Quota Tariffs)**

(1) In any of the following subparagraphs, customs duties may be assessed at the rate obtained by deducting a rate within the limit of 40/100 from the basic tariff rate. In such cases, the volume may be limited where it is deemed necessary:

1. Where it is necessary to facilitate the import of specific goods in order to ensure the smooth supply and demand of goods or bolster the industrial competitiveness;

2. Where it is necessary to stabilize the domestic prices of goods, the import price of which sharply has risen, and other goods manufactured using such goods as their raw material;

3. Where it is necessary to correct widely uneven tariff rates among similar goods.

(2) If necessary to control the import of specific goods, customs duties may be assessed on such specific goods by aggregating the rate within the limit of 40/100 to the basic tariff rate: Provided, That with respect to agricultural, forest, livestock and marine products, customs duties may be assessed thereon within the limit of the rate added with a rate equivalent to the difference between domestic and foreign prices of the same, similar or alternative products.

(3) Goods subject to the assessment of the customs duties provided for in paragraphs (1) and (2), volumes, rates, period of application, etc. shall be prescribed by Presidential Decree.

(4) The Ministry of Strategy and Finance shall report to the competent standing committee of the National Assembly the record of customs duties assessed in the previous year and the result thereof (including a report on examination and analysis of effect, etc. of assessment of customs duties) provided for in paragraphs (1) through (3) within five months after the closing of each fiscal year. *<Newly Inserted by Act No. 11121, Dec. 31, 2011; Act No. 12159, Jan. 1, 2014>*

#### **Article 72 (Seasonal Duties)**

(1) If the import of goods, similar goods or alternative goods with highly fluctuating prices by season is likely to disrupt the domestic market or destroy the production foundation, customs duties may be



assessed either at a rate higher than the basic tariff rate within a rate equivalent to the difference between domestic and foreign prices of the relevant goods or at a rate computed by deducting a rate within 40/100 from the basic tariff rate, depending on seasons.

(2) Goods subject to the assessment of the seasonal duties referred to in paragraph (1), rates, period of application, etc. shall be determined by Ordinance of the Ministry of Strategy and Finance.

#### **Article 73 (International Cooperation Tariffs)**

(1) Where the Government deems it necessary to facilitate Korea's external trade, it may negotiate on tariff with any specific country or any particular international organization.

(2) Where the Government deems it necessary to negotiate on tariff pursuant to paragraph (1), it may make any tariff concession: Provided, That the Government may not make any tariff concession exceeding 50/100 of the basic tariff rate when negotiating or tariff with any specific country.

(3) Goods subject to the assessment of the tariff referred to in paragraph (2), tariff rates, application period thereof, etc. shall be prescribed by Presidential Decree.

#### **Article 74 (Application Standards, etc. for Beneficial Tariffs)**

(1) With respect to goods imported to Korea from any country which does not enjoy benefits granted under any tariff treaty, benefits regarding tariffs within the limit of the benefits granted under any treaty already concluded with a foreign country may be granted to such goods (hereinafter referred to as "beneficial tariff").

(2) Countries and goods subject to the assessment of beneficial tariffs, the applicable tariff rates, the applicable methods and other necessary matters shall be prescribed by Presidential Decree.

#### **Article 75 (Application Suspension, etc. of Beneficial Tariffs)**

In any of the following subparagraphs, the Minister of Strategy and Finance may designate any country, goods and period and suspend the application of beneficial tariff thereto:

1. Where the application of beneficial tariffs causes or is likely to cause a substantial impact on the national economy;
2. Other emergency situation which requires a suspension of the application of beneficial tariffs occurs.

#### **Article 76 (Standards for Application of General Preferential Tariffs)**

(1) With respect to goods prescribed by Presidential Decree (hereafter in this Article referred to as "goods subject to preferential tariff") among goods from developing countries prescribed by Presidential Decree (hereafter referred to as "countries subject to preferential tariff" in this Article), customs duties may be assessed on such goods at a rate lower than the basic tariff rate (hereafter referred to as "general preferential tariff" in this Sub-Section).

(2) In the assessment of a general preferential tariff, the tariff rate applied to goods subject to preferential tariff may be differentiated or the volume of such goods may be limited in consideration of the impact, etc. of the import of such goods on the domestic industry.

(3) With respect to goods from developing countries prescribed by Presidential Decree among developing countries designated as the poorest developing countries in accordance with a resolution of the United

Nations General Assembly, the general preferential tariff may be assessed, giving priority to the poorest developing countries over other developing countries subject to preferential tariff.

(4) Tariff rates, the application period thereof, and other necessary matters applicable to goods subject to preferential tariff shall be prescribed by Presidential Decree.

#### **Article 77 (Suspension, etc. of Application of General Preferential Tariffs)**

(1) Where the Minister of Strategy and Finance deems it inappropriate to assess a general preferential tariff on any goods subject to preferential tariff as the increased import of particular goods subject to preferential tariff causes or causes a risk of serious injury to the domestic industry that produces the same kind of goods or goods under direct competition, he/she may designate the relevant goods and their countries of origin, and suspend the application of a general preferential tariff to such imported goods, as prescribed by Presidential Decree.

(2) Where the Minister of Strategy and Finance deems that the assessment of a general preferential tariff is inappropriate considering the income level, the weight of the amount of goods imported from a country subject to preferential tariff in the total amount of goods imported by Korea and the extent of the international competitiveness of particular goods subject to preferential tariff exported by a particular country subject to preferential tariff and other circumstances, he/she may designate the relevant countries and goods, and exclude them from the application of a general preferential tariff, as prescribed by Presidential Decree.

#### **Article 78 (Withdrawal and Modification of Tariff Concession)**

(1) If the Government deems that a price drop in foreign countries, an unforeseen change in circumstances, or the fulfillment of obligations stipulated in a treaty has led to the increased import of specific goods under such conditions as to cause or threaten serious injury to the domestic industry which produces the same kind of goods or goods under direct competition, it may take the following measures:

1. If a tariff concession is made to specific goods in accordance with a treaty: A measure to assess customs duties provided for in this Act or the modified tariff rates by withdrawing or modifying the tariff concession made to such particular goods in accordance with the governing treaty;
2. If a measure referred to in paragraph (1) is about to be taken or has already been taken: A measure to apply tariff rates after reaching a new tariff concession, making a modification or making a tariff concession through the modification of the tariff rates of goods to which a tariff concession was made, other than the specific goods, and the addition of tariff concession items according to consultations held under the relevant treaty.

(2) Measures referred to in paragraph (1) 2 shall be taken to the necessary extent as compensation for a measure referred to in subparagraph 1 of the same paragraph.

(3) The application period, details, and other necessary matters concerning the measure referred to in paragraph (1) shall be prescribed by Presidential Decree.

#### **Article 79 (Counteractions)**

(1) If any foreign country intends to take or has taken measures to withdraw or modify a tariff concession made on specific goods or other measures, the Government may take the following counteractions where it deems eligible to take any counteractions in accordance with a relevant treaty:

1. A counteraction to assess customs duties on specific goods within the limit of an amount equivalent to the customs value of the particular goods in addition to customs duties assessed on such goods under this Act;

2. If a tariff concession is made to the specific goods, a counteraction to suspend the application of such tariff concession to them and assess customs duties within the limit of tariff rates fixed in this Act.

(2) Counteractions referred to in each subparagraph of paragraph (1) may be taken to the necessary extent as a counteraction against measures taken by a foreign country.

(3) Countries subject to counteractions referred to in paragraph (1), application period, details and other necessary matters thereof shall be prescribed by Presidential Decree.

#### **Article 80 (Effect of Tariff Concession and Effect of Withdrawal)**

(1) If Korea withdraws a tariff concession made to items in accordance with a treaty, the tariff rates under this Act shall apply to such items from the date on which such withdrawal takes effect.

(2) If Korea grants a new tariff concession to items in compensation for the tariff concession withdrawn under paragraph (1), the tariff rates under this Act shall not be applied from the date on which the new tariff concession takes effect.

#### **Article 81 (Application of Simplified Tariff Rates)**

(1) Notwithstanding other statutes, simplified tariff rates may be applied to goods prescribed by Presidential Decree among the following goods:

1. Goods imported by travelers or crew of any means of transportation navigating overseas as their personal effects;

2. Postal items: Provided, That postal items which require filing the import declaration thereon shall be excluded herefrom;

3. Deleted; <by Act No. 16093, Dec. 31, 2018>

4. Consignments or unaccompanied goods.

(2) Deleted. <by Act No. 16093, Dec. 31, 2018>

(3) Simplified tariff rates shall be prescribed by Presidential Decree, based on the rates of customs duties, the provisional import surtax and the internal tax of imported goods. <Amended by Act No. 16093, Dec. 31, 2018>

(4) With respect to goods which fall under paragraph (1) 1 and whose total amount is equal to or lower than the amount prescribed by Presidential Decree, the tariff rates referred to in paragraph (3) may be set as a single tariff rate applicable to such goods taking into account the customs duties, the provisional import surtax and the internal tax of goods imported generally as personal effects.

#### **Article 82 (Application of Tariff Rates under Agreement)**

(1) With regard to goods on which an import declaration is filed en block, their tariff rates are different by item, the highest tariff rate of such rates may apply to such goods, upon request from a person who files such import declaration.

(2) In applying paragraph (1), Section 2 of Chapter V (Articles 119 through 132) shall not be applied.

#### **Article 83 (Application of Specific Use Duty Rates)**

(1) A person who intends to use goods whose tariff rates are differently determined by Presidential Decree or Ordinance of the Ministry of Strategy and Finance according to their purposes in accordance with attached Schedules of Tariff Rates and Articles 50 (4), 65, 67-2, 68, 70 through 73 and 76, for the use of a lower tariff rate shall obtain approval from the head of a customs office, as prescribed by Presidential Decree: Provided, That this shall not apply where the nature and form of such goods make it impossible to use them for another purpose.

(2) No goods to which a lower tariff rate is applied in accordance with paragraph (1) (hereinafter referred to as "specific use duty rate") shall be used for or converted to a purpose other than the relevant purposes for a period fixed by the Commissioner of the Korea Customs Service according to the standards prescribed by Presidential Decree up to three years from the date on which the import declaration thereon is accepted: Provided, That this shall not apply to any of the following subparagraphs:

1. Where prior approval is obtained from the head of a customs office, as prescribed by Presidential Decree;

2. Where the goods fall under the proviso to paragraph (1).

(3) Where the goods under paragraph (1) are used for a purpose other than the relevant purposes or transferred to a person who intends to use such goods for a purpose other than the relevant purposes within a period fixed pursuant to paragraph (2), an amount of duties equivalent to a difference between an amount of duties calculated based on a tariff rate that does not require the relevant goods to be used for the specific purpose and an amount of duties calculated based on the relevant specific use duty rate shall be promptly collected from the person who uses the relevant goods for a purpose other than the particular purpose or a transferor. If it is impossible to collect the relevant amount of duties from a transferor, such amount of duties shall be collected from a transferee: Provided, That this shall not apply where the goods are destroyed or lost due to natural disasters or other unavoidable causes, or disposed of by obtaining prior approval therefor from the head of a customs office.

#### **Article 84 (Modification of Tariff Classification System)**

Where the tariff classification prescribed by Presidential Decree in accordance with attached Schedules of Tariff Rates or Articles 73 and 76 require modifications due to a recommendation or decision made by the Customs Cooperation Council under the International Convention on the Harmonized Commodity Description and Coding System Nomenclature, or the development of new commodities, etc., but the tariff rates thereon are not modified, the Minister of Strategy and Finance may designate new tariff classification or reclassify tariffs, as prescribed by Presidential Decree.

### **Article 85 (Standards, etc. for Application of Tariff Classification)**

(1) The Minister of Strategy and Finance may establish standards necessary for applying tariff classification, as prescribed by Presidential Decree. *<Amended by Act No. 10424, Dec. 30, 2010; Act No. 12847, Dec. 23, 2014>*

(2) There shall be established a Tariff Classification Committee (hereinafter referred to as the "Committee") in the Korea Customs Service to deliberate on the following matters: *<Amended by Act No. 10424, Dec. 30, 2010; Act No. 12847, Dec. 23, 2014>*

1. Matters that the Commissioner of the Korea Customs Service requests to the Minister of Strategy and Finance in connection with new establishment or modification of standards for the application of the tariff classification referred to in paragraph (1);
2. Advance rulings and reviews of advance rulings on tariff classification applied to specific goods under Article 86;
3. Modification and review of tariff classification applied to specific goods under Article 87;
4. Other matters referred to the Committee by the Commissioner of the Korea Customs Service with respect to tariff classification.

(3) Deleted. *<by Act No. 7009, Dec. 30, 2003>*

(4) Necessary matters concerning the composition, function, operation, etc. of the Committee shall be prescribed by Presidential Decree. *<Amended by Act No. 10424, Dec. 30, 2010>*

### **Article 86 (Advance Rulings on Tariff Classification Applied to Specific Goods)**

(1) A person who intends to import or export goods, a manufacturer of goods to be exported, a licensed customs broker, a customs brokers' corporation, or a corporation for handling clearance under the Licensed Customs Broker Act (hereinafter referred to as "licensed customs broker, etc.") may file an application with the Commissioner of the Korea Customs Service for an advance ruling on the tariff classification on attached Schedules of Tariff Rates to be applied to the relevant goods prior to filing an export or import declaration pursuant to Article 241 (1), accompanied by documents prescribed by Presidential Decree. *<Amended by Act No. 11602, Jan. 1, 2013>*

(2) Upon receipt of an application for an advance ruling referred to in paragraph (1) (hereinafter referred to as "advance ruling"), the Commissioner of the Korea Customs Service shall issue an advance ruling on the tariff classification to be applied to the relevant goods and notify the applicant of the results thereof within a period prescribed by Presidential Decree: Provided, That where it is impractical to issue an advance ruling on such tariff classification due to the insufficiency, etc. of documents presented, a notice of such fact shall be given to the applicant. *<Amended by Act No. 12847, Dec. 23, 2014; Act No. 13548, Dec. 15, 2015>*

(3) A person who has received a notice under paragraph (2) may submit an application for a review of an advance ruling to the Commissioner of the Korea Customs Service along with the documents prescribed by Presidential Decree within 30 days from the receipt date of such notice. In such cases, the Commissioner of the Korea Customs Service shall issue a review of the advance ruling on the tariff

classification to be applied to the relevant goods, and notify the applicant thereof within a period prescribed by the Presidential Decree; and where it is impractical to issue a review of the advance ruling on the tariff classification due to insufficiency, etc. of documents presented, a notice of such fact shall be given to the applicant. *<Newly Inserted by Act No. 12847, Dec. 23, 2014; Act No. 16093, Dec. 31, 2018>*

(4) The Commissioner of the Korea Customs Service shall publicly announce or publish the tariff classification, the name, use, standards of such goods, and other necessary matters to be applied to the goods of which an advance ruling on the tariff classification is issued under the main body of paragraph (2) and to the goods of which the applicable tariff classification is modified as the result of a review of an advance ruling issued under paragraph (3): Provided, That the Commissioner of the Korea Customs Service may choose not to publicly announce or publish the tariff classification to be applicable to the relevant goods if he/she deems it inappropriate to publicly announce or publish the tariff classification for such reason that it contains trade secret of the applicant. *<Amended by Act No. 11602, Jan. 1, 2013; Act No. 12847, Dec. 23, 2014; Act No. 13548, Dec. 15, 2015>*

(5) When any goods on which an import or export declaration is filed under Article 241 (1) are identical to the goods in relation to which a notice referred to in the main body of paragraph (2) or paragraph (3) is served, the head of a customs office shall apply tariff classification thereto as described in such notice. In such cases, where the tariff classification to apply is modified as the result of a review of an advance ruling issued under paragraph (3), the modified tariff classification shall apply from the date on which the applicant is notified of the details of modification or the date of promulgation of the public announcement or publication provided in paragraph (4), whichever is the earlier (hereinafter referred to as "modified date"), however, it may apply differently as provided for in the following standards: *<Amended by Act No. 12847, Dec. 23, 2014; Act No. 13548, Dec. 15, 2015>*

1. Where the application of tariff classification applicable prior to the modification to goods loaded for export to Korea before 30 days pass from the date of modification, is advantageous to a person that files an import declaration: Tariff classification applicable prior to the modification shall be applied;

2. In any of the following cases: Modified tariff classification shall also be applied retroactively to the goods the export or import declaration on which is received prior to the date of modification:

(a) Where the tariff classification is modified due to any ground attributable to the applicant, such as submission of false data;

(b) Any of the following cases which is advantageous to a person that files an export or import declaration:

(6) Where it is necessary to conduct physical and chemical analysis of the relevant goods to issue an advance ruling or a review of the advance ruling on tariff classification pursuant to the main body of paragraph (2) or paragraph (3), the Commissioner of the Korea Customs Service may require a person who files an application for an advance ruling or a review of the advance ruling on the relevant tariff classification to pay fees determined by Ordinance of the Ministry of Strategy and Finance. *<Amended by Act No. 12847, Dec. 23, 2014>*

(7) The term of validity of an advance ruling notified pursuant to the main body of paragraph (2) shall be three years from the date of receipt of the relevant notice: Provided, That where tariff classification is modified as the result of a review of the advance ruling issued under paragraph (3), the term of validity shall be newly reckoned from the date of receipt of the relevant notice. <Amended by Act No. 13548, Dec. 15, 2015>

(8) Procedures and methods of an advance ruling and a review of the advance ruling on the tariff classification, and other necessary matters shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 12847, Dec. 23, 2014>

#### **Article 87 (Modification and Application of Tariff Classification Applied to Specific Goods)**

(1) The Commissioner of the Korea Customs Service may modify tariff classification to be applied to the relevant goods if it is necessary to modify tariff classification which has undergone an advance ruling or a review of the advance ruling under Article 86 or if he/she modifies tariff classification conducted ex officio due to an unforeseen circumstance. <Amended by Act No. 12847, Dec. 23, 2014; Act No. 13548, Dec. 15, 2015>

(2) When the Commissioner of the Korea Customs Service modifies tariff classification under paragraph (1), he/she shall publicly notify the contents thereof and serve a notice of modified contents on the applicant who has been notified under Article 86 (2) or (3): Provided, That the Commissioner of the Korea Customs Service may choose not to publicly notify the tariff classification to be applicable to the relevant goods, if he/she deems it inappropriate to publicly notify the tariff classification for such reason that it contains trade secret of the applicant, etc. <Amended by Act No. 12847, Dec. 23, 2014; Act No. 13548, Dec. 15, 2015>

(3) A person who has received a notice under paragraph (2) may submit an application for a review to the Commissioner of the Korea Customs Service along with the documents prescribed by Presidential Decree within 30 days from the receipt date of such notice. In such cases, Article 86 (3), (4), (6) and (8) shall apply mutatis mutandis to the period for the review, the notification, public notification and publication of the result of the review, fees, and the procedures and method for the review. <Newly Inserted by Act No. 12847, Dec. 23, 2014; Act No. 13548, Dec. 15, 2015>

(4) Where tariff classification is modified under paragraph (1) or (3), the provisions of Article 86 (5) shall apply mutatis mutandis to the application of tariff classification: Provided, That where tariff classification is modified due to amendment to any related statutes or under Article 84, the provisions of Article 86 (5) 2 (b) shall not apply mutatis mutandis. <Amended by Act No. 13548, Dec. 15, 2015>

(5) Where tariff classification for which an advance ruling or a review of the advance ruling has been conducted under Article 86, is modified under paragraph (1) or tariff classification is modified as the result of a review issued under paragraph (3), the term of validity of the tariff classification shall be three years from the date on which the relevant notice is received. <Amended by Act No. 13548, Dec. 15, 2015>

#### **Article 88 (Exemption from Customs Duty on Goods for Diplomats, etc.)**

(1) Customs duties shall be exempted on any of the following imported goods:

1. Goods used by foreign embassies, legations and other institutions corresponding thereto for their official business in Korea;
2. Goods used by foreign ambassadors, ministers, other diplomats corresponding thereto and their family living in Korea;
3. Goods used by foreign consulates and other institutions corresponding thereto for their official business in Korea;
4. Goods used by staff members prescribed by Presidential Decree and their family, from among staff members of foreign embassies, legations, consulates and staff members of other institutions corresponding thereto and their family living in Korea;
5. Goods imported by any foreign contractor under the terms and conditions of a contract entered into between such foreign contractor and the Government to undertake any project;
6. Goods used by any adviser and engineer dispatched by any international organization and any foreign government to the Government of Korea and other persons determined by Ordinance of the Ministry of Strategy and Finance.

(2) No one shall obtain by transfer goods determined by Ordinance of the Ministry of Strategy and Finance among goods on which customs duties are exempted in accordance with paragraph (1) to use them for purposes other than the one provided for in paragraph (1) for a period fixed by the Commissioner of the Korea Customs Service according to the standard prescribed by Presidential Decree up to three years from the date on which an import declaration thereon is accepted: Provided, That this shall not apply where prior approval therefor is obtained from the head of a customs office, as prescribed by Presidential Decree.

(3) Where goods determined by Ordinance of the Ministry of Strategy and Finance under paragraph (2) are transferred for using them for purposes other than the one provided for in paragraph (1) within the period provided for in paragraph (2), customs duties exempted therefrom shall be promptly collected from a transferee.

#### **Article 89 (Exemption from Customs Duties on Goods Subject to Uneven Tariff Rates)**

(1) Goods prescribed by Ordinance of the Ministry of Strategy and Finance may be exempted from customs duties, from among the parts and raw materials (including re-imported parts that are repaired or manufactured in a foreign country after having been exported and raw materials that are processed and repaired) used by a small or medium enterprise under Article 5 (1) of the Restriction of Special Taxation Act (hereafter referred to as "small or medium enterprise" in this Article) to manufacture or repair any of the following goods at a factory designated by the head of a customs office, as prescribed by Presidential Decree, in order to correct uneven tariff rates: *<Amended by Act No. 11602, Jan. 1, 2013; Act No. 16093, Dec. 31, 2018>*

1. Aircraft (including parts);



2. Equipment used to manufacture semiconductors (including accessory machinery thereof).

(2) None of the following persons shall be designated under paragraph (1): <Newly Inserted by Act No. 13548, Dec. 15, 2015>

1. A person who falls under any of subparagraphs 1 through 5 and 7 of Article 175;

2. A person for whom two years have not passed from the date on which the designation was revoked under paragraph (4) (excluding where it was revoked by reasons falling under any of subparagraphs 1 through 3 of Article 175);

3. A corporation for which a person who falls under subparagraph 1 or 2 works as an executive officer (limited to a person who is directly in charge of or who supervises the operation of the relevant factory).

(3) The period of designation of any factory referred to in paragraph (1) shall be within three years, and such period may be extended upon request from the designated person.

(4) If a person designated under paragraph (1) falls under any of the following subparagraphs, the head of a customs office may revoke the designation: Provided, That in cases falling under subparagraph 1 or 2, the designation shall be revoked: <Newly Inserted by Act No. 13548, Dec. 15, 2015; Act No. 16093, Dec. 31, 2018>

1. Where he/she falls under any subparagraph of paragraph (2): Provided, That this shall not apply to cases falling under paragraph (2) 3, where a corporation which has a person falling under subparagraph 2 or 3 of Article 175 as its executive officer replaces the relevant executive officer within three months;

2. Where he/she is designated by fraud or other improper means;

3. Where the head of a customs office deems it impractical to achieve the purpose of establishing the designated factory due to its shutdown for not less than one year.

(5) Articles 179, 180 (2), 182 and 187 shall apply mutatis mutandis to any designated factory under paragraph (1). <Amended by Act No. 11602, Jan. 1, 2013>

(6) Customs duties on the parts and raw materials (including re-imported parts that are repaired or manufactured in a foreign country after having been exported and raw materials that are processed and repaired) that a person who is not a small or medium enterprise uses for manufacture or repair of goods referred to in paragraph (1) 1 at a factory designated by the head of a customs office, as prescribed by Presidential Decree, referred to in paragraph (1), shall be reduced or exempted as follows: <Newly Inserted by Act No. 16093, Dec. 31, 2018>

1. With respect to the reduction or exemption of the customs duties of goods prescribed by Ordinance of the Ministry of Strategy and Finance among goods subject to Annex 4 Agreement on Trade in Civil Aircraft of the Marrakesh Agreement Establishing the World Trade Organization, the reduction rate that falls under each relevant applicable period shall apply to the portion of import declaration filed during the period classified in the following table:

2. With respect to the reduction or exemption of the customs duties of goods other than those referred to in subparagraph 1, the reduction rate that falls under each relevant applicable period shall apply to the portion of import declaration filed during the period classified in the following table:

## **Article 90 (Reduction or Exemption of Customs Duties for Goods Used for Scientific Research)**

(1) Customs duties may be reduced or exempted on any of the following imported goods:

1. Goods determined by Ordinance of the Ministry of Strategy and Finance and used by State agencies, local governments and other institutions determined by Ordinance of the Ministry of Strategy and Finance for the purposes of scientific research, education, experiments and practices;
2. Goods determined by Ordinance of the Ministry of Strategy and Finance among goods used by schools, public medical institutes, public vocational training institutes, museums and other organizations determined by Ordinance of the Ministry of Strategy and Finance as equivalent thereto for the purposes of academic research, education, training, experiments and practices and scientific and technological research;
3. Goods donated by foreign countries to be used by the institutes referred to in subparagraph 2 for the purposes of scientific research, education, training, experiments and practices, and scientific and technological research: Provided, That goods determined by Ordinance of the Ministry of Strategy and Finance shall be excluded herefrom;
4. Goods determined by Ordinance of the Ministry of Strategy and Finance and imported by a person determined by Ordinance of the Ministry of Strategy and Finance for the purposes of the research and development of the industrial technology.

(2) If customs duties are reduced or exempted in accordance with paragraph (1), the reduction and exemption rate thereof shall be determined by Ordinance of the Ministry of Strategy and Finance.

## **Article 91 (Exemption from Customs Duties for Goods for Religion, Charity and Disabled)**

Customs duties may be exempted on any of the following imported goods:

1. Goods donated by foreign countries to churches, temples and religious organizations for their service activities: Provided, That any goods determined by Ordinance of the Ministry of Strategy and Finance shall be excluded herefrom;
2. Goods donated for the purposes of charity and relief, and goods donated to charity and relief establishments or social welfare establishments determined by Ordinance of the Ministry of Strategy and Finance for the purposes of charity and relief: Provided, That any goods determined by Ordinance of the Ministry of Strategy and Finance shall be excluded herefrom;
3. Goods donated by the International Foundation of the Red Cross, foreign Red Cross associations and international organizations determined by Ordinance of the Ministry of Strategy and Finance for the purposes of international peace service activities or international amity activities;
4. Goods determined by Ordinance of the Ministry of Strategy and Finance among goods specially made or manufactured for the use by the hearing, visually or speech impaired, physically disabled, chronic renal failure patients, patients with rare or incurable diseases, etc.;
5. Medical appliances used at welfare establishments for the disabled under Article 58 of the Act on Welfare of Persons with Disabilities and at rehabilitation hospitals or clinics run by the State, local governments or social welfare corporations for the purposes of rehabilitation and medical examinations

and treatments of the disabled.

#### **Article 92 (Exemption from Customs Duties for Goods, etc. Used by Government)**

Any of the following imported goods shall be free from customs duties: <Amended by Act No. 11690, Mar. 23, 2013; Act No. 14839, Jul. 26, 2017>

1. Goods donated to the State agencies or local governments for official use: Provided, That any goods determined by Ordinance of the Ministry of Strategy and Finance shall be excluded herefrom;
2. Military goods imported by the Government (including cases where a person, other than the Government, imports military goods on commission by the Government) from foreign countries and goods used for the security service for the head of the State: Provided, That any goods determined by Ordinance of the Ministry of Strategy and Finance shall be excluded herefrom;
3. Goods returned from military forces stationed overseas or overseas diplomatic missions, which were used for official business;
4. Goods imported for the purposes of emergency communications and radio wave controls upon the recognition of the Minister of Science and ICT that such goods are critically necessary for national security;
5. Publications, records, recorded tapes, recorded slides, exposed films and other goods and materials similar thereto which have been imported directly by the Government;
6. Goods determined by Ordinance of the Ministry of Strategy and Finance from among machinery, appliances, etc. imported by the State or local governments (including corporations established, invested or contributed by the State or local governments) to measure or analyze environmental pollution (including noise and vibration);
7. Goods determined by Ordinance of the Ministry of Strategy and Finance and imported by the State and local governments (including corporations established, invested or contributed by the State or local governments) to measure, conserve or improve the quality of drinking water;
8. Goods imported by the Director of the National Intelligence Service or a person entrusted by the Director of the National Intelligence Service determined as critically necessary for national security.

#### **Article 93 (Exemption from Customs Duties, etc. for Specific Goods)**

Customs duties may be exempted on any of the following imported goods: <Amended by Act No. 11690, Mar. 23, 2013>

1. Goods determined by Ordinance of the Ministry of Strategy and Finance which are used for breeding animals and plants and improving seeds;
2. Goods determined by Ordinance of the Ministry of Strategy and Finance which are imported by participants for the exhibitions at fairs, international sports competitions and other events similar thereto which are prescribed by Ordinance of the Ministry of Strategy and Finance;
3. Goods determined by Ordinance of the Ministry of Strategy and Finance which are donated by foreign countries for the purposes of restoration support and rescues in cases of nuclear accidents or radioactive emergencies;

4. Fish and marine life (including fishery products processed or manufactured using such fish and marine life in Korean fishing boats; hereafter the same shall apply in this Article) collected or caught by Korean fishing boats in the territorial waters of any foreign country by obtaining permission from the government of such foreign country;
5. Fish and marine life recommended by the Minister of Oceans and Fisheries which are collected or caught by any Korean fishing boat in cooperation with foreign fishing boat in a manner determined by Ordinance of the Ministry of Strategy and Finance;
6. Fish and marine life recommended by the Minister of Oceans and Fisheries after consulting with the Minister of Strategy and Finance from among fish and marine life that a person collects or catches through a joint venture with any foreigner by obtaining permission from the Minister of Oceans and Fisheries, in a manner conforming with the requirements determined by Ordinance of the Ministry of Strategy and Finance;
7. Non-recyclable goods determined by Ordinance of the Ministry of Strategy and Finance which are used to pack fish and marine life collected or caught by Korean fishing boats, etc. and other fish and marine life referred to in subparagraphs 5 and 6;
8. Goods which are in conformity with the requirements determined by Ordinance of the Ministry of Strategy and Finance to be used as raw materials for a pilot production to verify whether machinery and appliances manufactured by a domestic small and medium enterprise under Article 2 of the Framework Act on Small and Medium Enterprises, upon a request by a foreign buyer, are in conformity with specifications and functions specified by such foreign buyer;
9. Goods which belong to the head of a foreign country, his/her family and entourage members who visit Korea;
10. Parts and equipment of a dismantled Korean ship or means of transportation which has been wrecked;
11. Goods necessary to construct or repair bridges, communications facilities, undersea tunnels and other facilities corresponding thereto, to link Korea and foreign countries;
12. Goods determined by Ordinance of the Ministry of Strategy and Finance as certificates to be placed on exported goods, indicating that such exported goods are in conformity with conditions, including but not limited to the quality, standard and safety specified by the competent agency of any importing country;
13. Goods used for restoring damage caused by an accident to any Korean ship or aircraft overseas at the expense of any foreign insurance company or foreign offender;
14. Goods imported as parts used to repair the breakdown of any Korean ship or aircraft, which is caused by an accident overseas during a warranty period at the expense of any foreign seller, which is specified in a sales contract;
15. Goods determined by Ordinance of the Ministry of Strategy and Finance which are imported as sporting goods (including their components) for the Olympic Games, Paralympics, Deaflympics, Asian

Games and Disabled Asian Games;

16. Materials necessary to construct, maintain and ornament national cemeteries and funeral goods used to make coffins of those who are buried in national cemeteries and the boxes of remains;

17. Personal belongings of any predecessor that are inherited to any person residing in Korea following the death of such predecessor.

#### **Article 94 (Exemption from Customs Duties for Small-Sum Goods, etc.)**

Customs duties may be exempted on any of the following imported goods:

1. Medals, testimonials or citations and awards corresponding thereto which have been granted to residents in Korea;
2. Records and other documents;
3. Goods determined by Ordinance of the Ministry of Strategy and Finance as commercial samples or advertising materials;
4. Goods determined by Ordinance of the Ministry of Strategy and Finance as small-sum goods received by residents in Korea.

#### **Article 95 (Reduction or Exemption of Customs Duties for Goods, etc. Used to Prevent Environmental Pollution)**

(1) Customs duties may be reduced or exempted on any of the following imported goods, which are difficult to be manufactured in Korea:

1. Machinery, appliances, facilities and equipment determined by Ordinance of the Ministry of Strategy and Finance as goods used to prevent emissions of pollutants (including noise and vibration) or treat pollutants;
2. Machinery and appliances determined by Ordinance of the Ministry of Strategy and Finance as goods used to treat wastes (including recycling);
3. Factory automation machines, appliances, facilities and equipment (including its component appliances) and their key parts determined by Ordinance of the Ministry of Strategy and Finance as machinery or electronic technology-applied goods or data-processing technology-applied goods.

(2) If customs duties are reduced or exempted in accordance with paragraph (1), a period and rate for such duty reduction and exemption shall be determined by Ordinance of the Ministry of Strategy and Finance.

#### **Article 96 (Reduction or Exemption of Customs Duties for Travelers' Personal Effects, Moving Goods, etc.)**

(1) Where any of the following goods is imported, customs duties thereon may be exempted:

1. Personal effects carried or sent separately by any traveler, which the head of a customs office deems appropriate in consideration of the purpose of entry, period of stay and occupation and other circumstances in accordance with the standards determined by Ordinance of the Ministry of Strategy and Finance;
2. Moving goods imported by a person who enters Korea for the purpose of relocating his/her residence to Korea, which the head of a customs office deems appropriate in consideration of the reason for

relocating his/her residence, his/her residential period, occupation, the number of family members and other circumstances, in accordance with the standards determined by Ordinance of the Ministry of Strategy and Finance;

3. Personal effects carried by crew of any foreign trade ship and trade aircraft to be imported into Korea, which the head of a customs office deems appropriate in consideration of the number of navigation days, their period of stay and other circumstances: Provided, That goods determined by Ordinance of the Ministry of Strategy and Finance shall be excluded herefrom.

(2) Where a traveler files a voluntary declaration on personal effects carried or sent separately (excluding goods falling under paragraph (1) 1) in the ways prescribed by Ordinance of the Ministry of Strategy and Finance, the amount equivalent to 30/100 of the customs duties to be assessed on the relevant goods may be reduced not in excess of 150 thousand won. <Newly Inserted by Act No. 12847, Dec. 23, 2014>

#### **Article 97 (Exemption from Customs Duties for Re-Exportation)**

(1) Customs duties may be exempted on goods re-exported within any of the following periods from the date on which an import declaration thereon has been accepted:

1. Goods determined by Ordinance of the Ministry of Strategy and Finance: A period fixed by the head of a customs office according to the standards prescribed by Presidential Decree up to one year: Provided, That the head of such customs office may extend such period within one year when he/she deems that extenuating circumstances exist;

2. Goods determined by Ordinance of the Ministry of Strategy and Finance as goods that have to be re-exported after the lapse of one year or over due to unavoidable causes: A period fixed by the head of a customs office.

(2) No goods which are exempted from customs duties in accordance with paragraph (1) shall be used for purposes other than those prescribed in the same paragraph or transferred within a period fixed in the same paragraph: Provided, That this shall not apply where the head of a customs office pre-approves them, as prescribed by Presidential Decree.

(3) In any of the following subparagraphs, customs duties which were exempted shall be promptly collected from a person who failed to re-export such goods, who used such goods for other purposes or who transferred such goods. If it is impossible to collect such exempted customs duties from a transferor, the exempted customs duties in question shall be collected from a transferee: Provided, That this shall not apply where the goods in question have been destroyed or lost due to any disaster or unavoidable causes, or disposed of upon prior approval of the head of a customs office:

1. Where the goods exempted from customs duties in accordance with paragraph (1) fail to be re-exported within the period fixed in the same paragraph;

2. Where the goods are used for purposes other than those prescribed in paragraph (1) or are transferred to a person who intends to use them for other purposes.

(4) If goods prescribed by Ordinance of the Ministry of Strategy and Finance are not exported within a period provided in paragraph (1) from among goods exempted from customs duties pursuant to paragraph

(1), the head of a customs office shall collect an amount equivalent to 20/100 of the customs duties to be assessed on the relevant goods as an additional duty of not exceeding five million won. <Amended by Act No. 11602, Jan. 1, 2013>

#### **Article 98 (Reduction or Exemption of Customs Duties for Re-Exportation)**

(1) If goods determined by Ordinance of the Ministry of Strategy and Finance which are usable for a long period have been imported for a temporary use in Korea under a lease contract or in connection with the effectuation of a work contract and such goods are re-exported within two years from the date on which an import declaration thereon was accepted (referring to a period fixed by the head of a customs office according to the standards prescribed by Presidential Decree within four years, with respect to goods determined by Ordinance of the Ministry of Strategy and Finance ,whose long-term uses are unavoidable and whose approval was granted by the head of a customs office before they were imported), customs duties on such goods may be reduced according to the following classifications: Provided, That customs duties on goods imported under a treaty, convention, etc. concluded with a foreign country shall be exempted according to mutual terms and conditions stipulated in such treaty, convention, etc.:

1. 85/100 of the amount of customs duties on the relevant goods where the period of re-export is six months or less;
2. 70/100 of the amount of customs duties on the relevant goods where the period of re-export is more than six months but not exceeding one year;
3. 55/100 of the amount of customs duties on the relevant goods where the period of re-export is more than one year, but two years or less;
4. 40/100 of the amount of customs duties on the relevant goods where the period of re-export is more than two years but not exceeding three years;
5. 30/100 of the amount of customs duties on the relevant goods where the period of re-export is more than three years but not exceeding four years.

(2) Article 97 (2) through (4) shall apply mutatis mutandis to any goods on which customs duties are reduced or exempted in accordance with paragraph (1).

#### **Article 99 (Exemption from Customs Duties for Re-Import)**

Where the following goods are imported, customs duties thereon may be exempted: <Amended by Act No. 12159, Jan. 1, 2014>

1. Goods exported from Korea (including bonded processing exports) that are re-imported without being manufactured, processed, repaired or used in any foreign country (hereafter referred to as "re-imported" in this Article) (excluding where goods determined by Ordinance of the Ministry of Strategy and Finance, which can be used for a long period among goods exported from Korea for the purposes of a temporary use in a foreign country in accordance with a lease contract or any other contract, or cases where goods are displayed in a fair, exhibition, competitive show or any other event equivalent thereto) within two years from the date on which an export declaration was approved: Provided, That no customs duties shall be exempted in any of the following cases:

- (a) Where customs duties on the relevant goods or raw materials are reduced or exempted;
  - (b) Where a refund is granted under this Act or the Act on Special Cases concerning the Refund of Customs, etc. Levied on Raw Materials for Export;
  - (c) Where a person that is not the one who is eligible for the refund under this Act or the Act on Special Cases concerning the Refund of Customs Duties, etc. Levied on Raw Materials for Export re-imports the relevant goods: Provided, That the cases where a person that re-imports the goods submits a document proving the person eligible for the refund waives his/her right for the refund shall be excluded therefrom;
  - (d) Where no customs duties are assessed on bonded processing goods or other goods, the storage period of which expires are sold under the condition that they are re-exported;
2. Containers of exported goods which are re-imported;
  3. Re-imported goods after being exported for the purposes of overseas testing and research.

#### **Article 100 (Reduction due to Deterioration)**

- (1) When goods are deteriorated or damaged before an import declaration thereon is accepted, customs duties thereon may be reduced, as prescribed by Presidential Decree.
- (2) Where customs duties are additionally collected on goods, whose customs duties have been reduced or exempted in accordance with this Act, other Acts, a treaty, or a convention, if such goods are deteriorated or used, thereby diminishing their value, such additional customs duties may be reduced, as prescribed by Presidential Decree. *<Amended by Act No. 11121, Dec. 31, 2011>*

#### **Article 101 (Reduction of Customs Duties on Overseas Trusted and Processed Goods)**

- (1) Customs duties on any of the following imported goods may be reduced, as prescribed by Presidential Decree:
  1. Goods determined by Ordinance of the Ministry of Strategy and Finance, which are manufactured or processed overseas using domestic raw materials and components exported for such purpose;
  2. Goods exported for the purposes of processing or repairing, which conform with the standards determined by Ordinance of the Ministry of Strategy and Finance.
- (2) Where goods under paragraph (1) fall under any of the following subparagraphs, no customs duties thereon shall be reduced:
  1. Where customs duties have been reduced or exempted for the relevant goods or raw materials: Provided, That cases provided for in paragraph (1) 2 shall be excluded herefrom;
  2. Where any customs duties have been refunded under this Act or the Act on Special Cases concerning the Refund of Customs, etc. Levied on Raw Materials for Export;
  3. Where no customs duties have been assessed on bonded processing goods or other goods whose storage period expires, are sold under the condition that they are re-exported.

#### **Article 102 (Post Management of Goods Granted Reduction or Exemption of Customs Duties)**

- (1) No goods, whose customs duties are reduced or exempted pursuant to Articles 89 through 91, 93 and 95, shall be used or transferred (including any lease; hereinafter the same shall apply) for the purposes



other than those for which such customs duties are reduced or exempted within a period fixed by the Commissioner of the Korea Customs Service according to the standards prescribed by Presidential Decree up to three years from the date on which an import declaration was accepted: Provided, That this shall not apply to any goods determined by Ordinance of the Ministry of Strategy and Finance and other goods for which prior approval is obtained from the head of a customs office, as prescribed by Presidential Decree.

(2) In any of the following subparagraphs, the reduced or exempted customs duties shall be promptly collected from a person who uses the relevant goods in a manner other than their original intended use or his/her transferor (including any lessor; hereinafter the same shall apply). If it is impossible to collect such reduced or exempted customs duties from such transferor, the reduced or exempted customs duties shall be collected from a transferee (including any lessee; hereinafter the same shall apply): Provided, That this shall not apply where the relevant goods are deteriorated or lost due to a disaster or other unavoidable causes, or disposed of upon prior approval of the head of a customs office:

1. Where the goods whose customs duties are reduced or exempted in accordance with paragraph (1) are used for purposes other than those for which such customs duties are reduced or exempted within the period specified in paragraph (1);

2. Where the goods whose customs duties are reduced or exempted in accordance with paragraph (1) are transferred to a person who intends to use them for purposes other than those for which such customs duties are reduced or exempted within the period specified in paragraph (1).

#### **Article 103 (Use of Goods Granted Reduction or Exemption of Customs Duties for other Purposes)**

(1) Where any goods whose customs duties are reduced or exempted in accordance with statutes, a treaty, a convention, etc. are used for any purpose other than those for which such customs duties are reduced or exempted or such goods are transferred to a person who intends to use them for any purpose other than those for which such customs duties are reduced or exempted (limited to cases where a person who uses the relevant goods for another purpose or any other person acquires by transfer the relevant goods to use them for another purpose imports such goods to use them for another purpose, and customs duties are reduced or exempted on the goods in accordance with statutes, a treaty, a convention, etc.), the customs duties which have to be collected in accordance with Article 83 (3), 88 (3), 97 (3), 98 (2), 102 (2) or 109 (2) may be reduced or exempted, as prescribed by Presidential Decree: Provided, That this shall not apply where any reduced or exempted customs duties are collected in accordance with statutes other than this Act, a treaty, a convention, etc. <Amended by Act No. 11121, Dec. 31, 2011>

(2) Notwithstanding Articles 98 (2) and 102 (1), any goods whose customs duties are reduced or exempted in accordance with Article 90, 93, 95 or 98 may be transferred to any company having a business relationship for entrustment or consignment with an enterprise as defined in subparagraph 4 of Article 2 of the Act on the Promotion of Collaborative Cooperation between Large Enterprises and Small-Medium Enterprises. In such cases, the customs duties that shall be collected in accordance with Articles 98 (2) and 102 (2) may be reduced or exempted: Provided, That this shall not apply where any reduced or exempted customs duties are collected in accordance with statutes other than this Act, a treaty, a convention, etc.

(3) Where the customs duties are reduced or exempted in accordance with paragraphs (1) and (2), the period for post management of any goods whose customs duties are reduced or exempted shall be computed from the date on which an initial import declaration thereon is approved.

**Article 104 Deleted.** <by Act No. 11121, Dec. 31, 2011>

**Article 105 (Reduction, Exemption, etc. of Customs Duties for Facilities Leasing Business Entities)**

(1) Where a person registered to perform facility leasing business provided for in the Specialized Credit Finance Business Act (hereafter referred to in this Article, as "facilities leasing business entity") imports goods whose customs duties are reduced or exempted, or paid in installments pursuant to this Act, notwithstanding Article 19, a user of the leased facility may be made liable to pay duties and permitted to file an import declaration. In such cases, the person liable for duty payment shall be the user of the leased facility. <Amended by Act No. 14127, Mar. 29, 2016>

(2) Where customs duties are assessed on the goods whose customs duties are reduced or exempted, or approved to be paid in installments in accordance with paragraph (1); and cannot be collected from the user of the leased facility liable for duty payment, the facilities leasing business entity shall pay such customs duties.

**Article 106 (Refund of Customs Duties on Goods, etc. Different from Contract Terms)**

(1) Where the goods whose import declaration is accepted are different from the terms of a contract, and the nature or form thereof as at the time of the import declaration remain unchanged, the customs duties thereon shall be refunded if they fall under any of the following subparagraphs within one year from the date on which the import declaration thereon is accepted: <Amended by Act No. 11121, Dec. 31, 2011>

1. Goods imported from any foreign country: They must be re-exported after having been placed in a bonded area (when permission is obtained from the head of a customs office pursuant to Article 156 (1), the permitted place shall be included; hereafter the same shall apply in this Article). In such cases, such goods may be exported after one year from the date on which the import declaration thereon is accepted;

2. Goods produced in a bonded factory: They must be brought back to the bonded factory.

(2) Where the head of a customs office recognizes no problem in calculating a refund amount of customs duties assessed on the imported goods provided in paragraph (1) and grants approval for such amount of the duty refund, such amount may be refunded in accordance with paragraph (1) even when some of such goods has been exported.

(3) Where the disposal of the imported goods provided in paragraphs (1) and (2) is deemed inevitable instead of exporting them and such imported goods are shipped into a bonded area within one year from the date on which the import declaration thereon was accepted and then disposed of upon prior approval by the head of a customs office, customs duties thereon shall be refunded.

(4) Where goods on which an import declaration has been accepted are destroyed or lost, deteriorated or damaged by a disaster, or their value diminished, while such goods were stored in a designated bonded area after such import declaration was accepted, all or some of the customs duties thereon maybe

refunded, as prescribed by Presidential Decree.

(5) In applying paragraphs (1) through (4), where customs duties on the relevant goods are not collected because the deadline for payment of customs duties on the relevant imported goods has not expired, the collection thereof is deferred or a period for payment in installments has not expired, the head of a customs office may revoke the assessment of the relevant customs duties. <Amended by Act No. 11602, Jan. 1, 2013>

(6) Articles 46 and 47 shall apply mutatis mutandis to the refund of any customs duties provided in paragraphs (1) through (4).

#### **Article 106-2 (Refund of Customs Duties on Goods for Private Use Exported in Original Conditions)**

(1) Where any goods for private use for which import declaration was accepted are exported in original conditions and fall under any of the following subparagraphs, the customs duties paid when they were imported shall be refunded. In such cases, the standards for determining whether they are exported in original conditions shall be prescribed by Presidential Decree:

1. Where they are reexported within six months from the date of receipt of import declaration, after being brought into a bonded area;
2. Where they are reexported within six months from the date of receipt of import declaration, after obtaining confirmation from the head of a customs office as prescribed by the Commissioner of the Korea Customs Service.

(2) Articles 46, 47 and 106 (2) and (5) shall apply mutatis mutandis to the refund of customs duties under paragraph (1).

#### **Article 107 (Installment Payment of Customs Duty)**

(1) When any declaration, an application, a request, the submission of documents, a notification, a payment or collection provided in this Act are deemed impossible to be made within a fixed time limit due to any natural disaster or on other grounds prescribed by Presidential Decree, the head of a customs office may permit the installment payment of any customs duty, as prescribed by Presidential Decree within a period of not exceeding one year.

(2) When any of the following goods are imported, the head of a customs office may permit the installment payment of any customs duty within a fixed period of not exceeding five years, as prescribed by Presidential Decree:

1. Goods published by the Minister of Strategy and Finance which are facilities and machinery, basic installations, raw materials and structures for construction, and equipment used for construction works: Provided, That goods used for types of business determined by Ordinance of the Ministry of Strategy and Finance shall be excluded herefrom;
2. Goods determined by Ordinance of the Ministry of Strategy and Finance which are imported by the Government or local governments;
3. Goods determined by Ordinance of the Ministry of Strategy and Finance which are imported by schools and vocational training institutions, and non-profit corporations for public-interest projects;

4. Goods published by the Minister of Strategy and Finance which are imported by social welfare institutions and establishments determined by Ordinance of the Ministry of Strategy and Finance including medical institutions, etc.;
  5. Goods published by the Minister of Strategy and Finance which are imported by research institutes affiliated with companies, industrial technology research associations and nonprofit research institutes determined by Ordinance of the Ministry of Strategy and Finance, and other research institutes similar thereto for the research and development of technology and for experiments and practices;
  6. Goods imported by small manufacturing firms determined by Ordinance of the Ministry of Strategy and Finance for their direct use: Provided, That such goods shall be in conformity with the standards determined by Ordinance of the Ministry of Strategy and Finance;
  7. Goods published by the Minister of Strategy and Finance, from among goods imported by vocational training institutions affiliated with companies determined by Ordinance of the Ministry of Strategy and Finance, which are difficult to be manufactured in Korea, for the use of vocational training, education, experiments and practices.
- (3) If a person who has been granted with approval for the installment payment of his/her customs duty under paragraph (2) intends to change the use of the relevant goods or to transfer them, he/she shall obtain prior approval therefor from the head of a customs office.
- (4) If a corporation which has been granted approval for the installment payment of its customs duties, is merged, divided, merged after dividing itself, dissolved or declared bankrupt, or a person who is granted with approval the installment payment of his/her customs duties is declared bankrupt, the person liable for duty payment under paragraphs (6) through (8) shall promptly report the reasons thereof to the head of a customs office.
- (5) If the goods on which approval has been granted for the installment payment of its customs duties are transferred to a person who intends to use them for the same purpose, the transferee of such goods shall pay such customs duties, and if such goods are transferred to a person who intends to use them for other purpose, the transferor of such goods shall pay such customs duties. In such cases, if it is unable to collect such customs duties from the transferor, the customs duties in question shall be collected from the transferee.
- (6) If a corporation that has been granted approval for payment of customs duties in installments is merged, divided or merged after dividing itself, a corporation surviving a merger, a division or a merger after division or other corporation that is incorporated by a merger, a division or a merger after division shall jointly pay such customs duties.
- (7) If a person who has been granted approval for the installment payment of its customs duties is declared bankrupt, a bankruptcy trustee thereof shall pay such customs duties.
- (8) If a corporation that has been granted approval for the installment payment of its customs duties is dissolved, a liquidator thereof shall pay such customs duties.

(9) In any of the following subparagraphs, the whole amount of unpaid customs duties shall be promptly collected:

1. Where goods on which approval has been granted for the installment payment of its customs duties are used for other purpose than the relevant purpose within a period provided in paragraph (2) or transferred to a person who intends to use them for other purpose than the relevant purpose;
2. Where any customs duties are not paid by a fixed time limit: Provided, That this shall not apply where the Commissioner of the Korea Customs Service recognizes the existence of unavoidable causes thereof;
3. Where a bankruptcy is declared;
4. Where a corporation is dissolved.

#### **Article 108 (Provision of Security and Post Management)**

(1) With respect to goods whose customs duties (excluding additional duties under Articles 97 (4) and 98 (2)) have been reduced or exempted, or permitted to be paid in installments in accordance with this Act, other statutes, a treaty, a convention, etc. as prescribed by the Commissioner of the Korea Customs Service within the limit prescribed by Presidential Decree, the head of a customs office may, when deemed necessary, require securities equivalent to the amount of such customs duties reduced or exempted or the amount of such customs duties paid in installments at the time such goods are imported.

(2) A person who has obtained approval for the application of specific-use tariff rates, the reduction or exemption of customs duties or the installment payment of customs duties in accordance with this Act, other Acts, a treaty, a convention, etc. shall present documents necessary to verify the fulfillment of the relevant terms to the head of a customs office, as prescribed by Presidential Decree.

(3) When it is necessary to verify the fulfillment of the terms referred to in paragraph (2), the Commissioner of the Korea Customs Service may entrust matters concerning the post management of the relevant goods to the competent Minister, as prescribed by Presidential Decree.

(4) In the application of this Act, when any goods to which specific-use tariff rates have been applied or on which customs duties have been reduced or exempted are exported upon approval from the head of a customs office, such goods shall not be deemed used for other purpose and their post management shall be terminated: Provided, That if goods to which specific-use tariff rates have been applied and on which customs duties have been reduced or exempted are re-imported after having been exported for the purpose of processing or repairing them or after having been exported for the purpose of overseas testing and research, and customs duties thereon are reduced or exempted pursuant to subparagraph 3 of Article 99 or Article 101 (1) 2 when they are re-imported, the post management thereof shall continue.

#### **Article 109 (Collection of Customs Duties Reduced or Exempted under Other Statutes)**

(1) Where a person intends to use goods whose customs duties have been reduced or exempted under statutes other than this Act, a treaty, a convention, etc. for any purpose other than those prescribed by the relevant statutes, treaty, convention, or where a person intends to transfer them within three years from the date on which the import declaration thereon was accepted, he/she shall obtain the verification thereof

from the head of a customs office: Provided, That this shall not apply where the relevant statutes, treaty, convention, etc. contain provisions stipulating exemption from collecting the relevant customs duties when the goods are used for other purposes or transferred. <Amended by Act No. 11121, Dec. 31, 2011>

(2) With respect to goods requiring verification by the head of a customs office under paragraph (1), reduced or exempted customs duties thereon shall be immediately collected from a person who has used the relevant goods for any purpose other than the relevant purpose or a person who has transferred such goods. If it is impractical to collect such customs duties from a transferor, the customs duties in question shall be immediately collected from a transferee: Provided, That this shall not apply where the goods are destroyed or lost due to a disaster or other unavoidable causes, or disposed of upon prior approval of the head of a customs office.

#### **Article 110 (Establishment and Delivery of Charter of Duty Payer Rights)**

(1) The Commissioner of the Korea Customs Service shall establish and publish a charter of duty payer rights (hereafter referred to as "charter of duty payer rights" in this Article) stating specifics prescribed in Articles 111 through 116, 116-2 and 117 and other details concerning the protection of the rights of duty payers.

(2) In any of the following subparagraphs, customs officers shall deliver duty payers a document stating the details of the charter of duty payer rights: <Amended by Act No. 11121, Dec. 31, 2011; Act No. 15218, Dec. 19, 2017>

1. Where an investigation is conducted against any customs offender referred to in Article 283 (including persons who have committed any offense referred to in Article 23 (1) through (4) of the Act on Special Cases concerning the Refund of Customs Duties, etc. Levied on Raw Materials for Export);
2. Where an investigation is conducted by visiting a duty payer or in writing in order to determine or rectify the duty base of customs duties and amount of customs duties (including consolidated investigations pursuant to Article 110-2; hereafter referred to as "customs duty investigation" in this Section);
3. Other cases prescribed by Presidential Decree.

(3) A customs officer may choose not to deliver a duty payer or an offender the charter of duty payer rights when he/she urgently arrests the duty payer, seizes or searches goods, or it is deemed unable to achieve the objective of his/her investigation, such as there exists a likeliness that a flagrant offender can flee.

#### **Article 110-2 (Principles of Consolidated Investigations)**

Except in cases prescribed by Presidential Decree where a customs officer needs to investigate a specific field only, he/she shall, in principle, conduct a consolidated investigation of the matters under his/her authority in connection with the amount of payment of customs duties by self-assessment and the performance of the obligations related to export and import prescribed by this Act and other statutes.

#### **Article 110-3 (Selection of Persons Subject to Customs Duty Investigations)**

(1) In any of the following subparagraphs, the head of a customs office may periodically select persons that are subject to customs duty investigations in order to verify the appropriateness of their declarations (hereinafter referred to as "periodical selection") and may investigate them. In such cases, the head of a customs office shall select them fairly in accordance with objective standards:

1. Where the head of a customs office deems that exporters or importers have been suspicious of filing a negligent declaration after he/she conducts a periodical analysis of sincerity of their declarations;
2. Where it is necessary to verify whether declarations filed by duty payers that have not been subject to investigation for the preceding four years by considering type, scale of their business, etc., as prescribed by Presidential Decree;
3. Where the head of a customs office intends to conduct a sample survey on a random basis.

(2) In any of the following subparagraphs, the head of a customs office may conduct customs duty investigation other than investigations following periodical selection: *<Amended by Act No. 12027, Aug. 13, 2013; Act No. 15218, Dec. 19, 2017>*

1. Where a duty payer fails to perform any obligation to cooperate in the payment of customs duties, such as filing a declaration or application or submitting data for determination of a customs value, as provided in this Act;
2. Where there is a specific report, etc. on duty evasion against exporters or importers;
3. Where details of a declaration contains any data corroborating a suspicion of duty evasion or error;
4. Where a duty payer provides or offers to provide any money or valuables to any customs officer in connection with the duties of the customs officer.

(3) Where the head of a customs office shall assess and collect customs duties pursuant to Article 39 (1), he/she may conduct an investigation to determine the duty base and the amount of duty.

(4) The head of a customs office may not investigate persons whose scale of export and import declaration for the preceding two years is not more than certain amount and who satisfy requirements prescribed by Presidential Decree: Provided, That the same shall not apply where it is evident that they have under-reported the customs duties based on objective evidentiary data.

#### **Article 111 (Prohibition from Abusing Right to Investigate Customs Duty)**

(1) Customs officers shall conduct a customs duty investigation to the minimum extent necessary to realize proper and fair taxation and to protect lawfulness of customs clearance and shall not abuse the investigation right for other purpose.

(2) Customs officers are prohibited from reinvestigating the same person who has been investigated in connection with the relevant case except in any of the following subparagraphs: *<Amended by Act No. 15218, Dec. 19, 2017>*

1. Where there exists hard evidence corroborating a suspicion of a duty evasion, etc.;
2. Where it is necessary to investigate a trading partner of a person who has been investigated;
3. Where a reinvestigation (limited to a reinvestigation conducted within the scope specified in the text of the written decision) is conducted based on a decision on reinvestigation made under the latter part of

Article 118 (4) 2 or the latter part of Article 128 (1) 3 (including cases applicable mutatis mutandis in the main sentence of Article 132-4);

4. Where a duty payer provides or offers to provide any money or valuables to any customs officer in connection with the duties of the customs officer;

5. General investigations are conducted against persons who have been on suspicion of tax evasion and other cases prescribed by Presidential Decree.

#### **Article 112 (Right to Obtain Assistance in Customs Duty Investigations)**

Where a duty payer is under an investigation that is conducted by a customs officer as he/she is applicable under any subparagraph of Article 110 (2), the duty payer may have an attorney or licensed customs broker participate in the investigation and present opinions at the investigation. *<Amended by Act No. 12159, Jan. 1, 2014>*

#### **Article 113 (Assumption, etc. of Duty Payer's Good Faith)**

(1) Customs officers shall assume that any duty payer is acting in good faith and the declaration for duty payment, etc. filed by him/her is bona fide, except in cases where such duty payer fails to fulfill his/her liability to file a declaration for duty payment, etc. or he/she is conclusively suspected of evading his/her customs duties and other cases prescribed by Presidential Decree.

(2) Paragraph (1) shall not restrict customs officers to perform the acts prescribed by Presidential Decree, including questioning any duty payer about particulars of his/her declaration for duty payment, etc. and verifying goods for which declaration for duty payment has been filed.

#### **Article 114 (Prior Notice on Customs Duty Investigations and Application for Postponement thereof)**

(1) Where a customs officer intends to inspect books, documents, data-processing equipment, other goods, etc. for any investigation referred to in Article 110 (2), he/she shall notify a duty payer subject to such inspection (including such duty payer's agent; hereafter the same shall apply in this Article), of matters to be investigated, grounds for the investigation and other matters prescribed by Presidential Decree 15 days before the investigation commences: Provided, That this shall not apply to the following subparagraphs: *<Amended by Act No. 14379, Dec. 20, 2016; Act No. 15218, Dec. 19, 2017>*

1. Where an investigation is conducted on an offense;

2. Where it is impracticable to achieve the objectives of an investigation due to the destruction of evidence, etc., if prior notice is given.

(2) Where a duty payer notified under paragraph (1) faces difficulty in undergoing an investigation due to a natural disaster or the grounds prescribed by Presidential Decree, he/she may file an application for a postponement of such investigation with the head of a customs office, as prescribed by Presidential Decree.

#### **Article 114-2 (Prohibition of Keeping Books, Documents, etc.)**

(1) No customs officer shall keep any duty payer's books, documents or other goods (hereafter referred to as "books, etc." in this Article) in a customs office at his/her discretion for the purpose of customs duty investigation.



(2) Notwithstanding paragraph (1), in cases falling under any ground set forth in the subparagraphs of Article 110-3 (2), a customs officer may temporarily keep, in a customs office, the books, etc. voluntarily submitted by a person having legitimate authority, such as the duty payer or the holder or custodian thereof, with the consent of the duty payer within the least scope necessary for investigation.

(3) A customs officer who intends to temporarily keep books, etc. of a duty payer in a customs office pursuant to paragraph (2) shall obtain a written consent on the temporary keeping from the duty payer and issue a certificate of temporary keeping.

(4) Where a duty payer requests to return books, etc. temporarily kept pursuant to paragraph (2), the customs officer shall not keep the books, etc. exceeding 14 days from the date of requesting the return: Provided, That the period of keeping may be extended only once by up to 14 days with the consent of the duty payer, if necessary to achieve the purpose of investigation.

(5) Notwithstanding paragraph (4), if a duty payer requests to return the books, etc. temporarily kept pursuant to paragraph (2) and if the return is deemed not to impede a customs duty investigation, the customs officer shall immediately return the requested books, etc.

(6) Where a customs officer returns books, etc. to a duty payer pursuant to paragraph (4) or (5), he/she may keep the copies thereof and request the duty payer to affix his/her signature or seal to confirm that the copies are the same as the originals.

(7) Except as otherwise expressly provided for in paragraphs (1) through (6), matters necessary for the methods of and procedures, etc. for temporary keeping of books, etc. shall be prescribed by Presidential Decree.

#### **Article 115 (Notice on Findings of Customs Duty Investigations)**

Where a customs officer completes an investigation provided for in Article 110 (2), he/she shall present a duty payer with a written notice on the findings thereof within 20 days after the investigation is completed: Provided, That this shall not apply to cases prescribed by Presidential Decree, including the closure of a business, etc. <Amended by Act No. 15218, Dec. 19, 2017>

#### **Article 116 (Confidentiality)**

(1) No customs officer shall provide or disclose to any third person any data provided by a duty payer to fulfill his/her liability to pay customs duties prescribed by this Act, or other data, etc. (hereinafter referred to as "information for taxation") he/she has obtained for the purpose of assessing and collecting any customs duties or making customs clearance while performing official business, or use them for any purpose, other than the purpose of carrying out his/her official business: Provided, That in any of the following subparagraphs, a customs officer may provide the information for taxation of the duty payer within the extent in conformity with the purpose of uses falling under the relevant subparagraph: <Amended by Act No. 15218, Dec. 19, 2017>

1. Where a State agency requests the information for taxation for the purpose of dealing with a dispute over customs duties or prosecuting any customs offender;

2. Where the information for taxation is requested by a presentation order issued by the court or a warrant issued by a judge;
3. Where the information for taxation is requested by other customs officers for the purpose of assessing or collecting customs duties, making customs clearances, questioning or conducting inspections;
4. Where the Commissioner of the Statistics Korea requests information for taxation for the purpose of compiling national statistics;
5. Where the information for taxation is requested in accordance with other Acts.

(2) A person who intends to request the information for taxation pursuant to paragraph (1) 1, 4 or 5 shall file a written request therefor with the head of the competent customs office. *<Amended by Act No. 15218, Dec. 19, 2017>*

(3) Where a customs officer is requested to provide the information for taxation, in violation of paragraphs (1) and (2), he/she shall reject such request.

(4) No person who has learned the information for taxation pursuant to paragraph (1) shall provide or disclose such information to any third person, or use it for any other purposes.

(5) A person other than a public official, who has learned or been provided with the information for taxation under this Article shall be deemed a public official in the application of penalty provisions of the Criminal Act and other Acts.

#### **Article 116-2 (Disclosure of Lists of Persons who are Substantially or Habitually Delinquent in Payment of Customs Duties)**

(1) The Commissioner of the Korea Customs Service may disclose the personal information, the amount in arrears, etc. of a duty payer who defaults in the payment of customs duties, internal tax, etc. (hereafter referred to as "customs duties, etc. in arrears" in this paragraph) in an amount exceeding 200 million won, as of the date on which one year has elapsed from the date of default, notwithstanding Article 116: Provided, That this shall not apply where grounds prescribed by Presidential Decree exist, such as where the petition of appeal, including raising an objection and applying for examination, is being filed against the customs duties, etc. in arrears and where at least a certain amount of customs duties, etc. in arrears has been paid. *<Amended by Act No. 11121, Dec. 31, 2011; Act No. 11602, Jan. 1, 2013; Act No. 13548, Dec. 15, 2015; Act No. 15218, Dec. 19, 2017>*

(2) There shall be established the Customs Information Disclosure Deliberative Committee (hereafter referred to as the "Deliberative Committee" in this Article) in the Korea Customs Service to deliberate or re-deliberate on whether the personal information, the amount in arrears, etc. of defaulters are disclosed pursuant to paragraphs (1) and (4).

(3) The Commissioner of the Korea Customs Service shall notify the person whose case has undergone deliberation by the Committee of the result that he/she is subject to the disclosure of the list of defaulters, and provide him/her with an opportunity to explain himself/herself.

(4) The Commissioner of the Korea Customs Service shall require the Committee to re-deliberate on whether the list of defaulters is disclosed in consideration of whether the amount in arrears has been paid,

etc. after a lapse of six months since the date of the notification pursuant to paragraph (3).

(5) The lists referred to in paragraph (1) shall be disclosed by publishing them in the Official Gazette, or posting such information via the information communication network designated by the Commissioner of the Korea Customs Service, or on the bulletin board of the relevant customs office.

(6) Matters necessary for the disclosure of lists of defaulters, and the composition, operation, etc. of the Deliberative Committee under paragraphs (1) through (5) shall be prescribed by Presidential Decree.

### **Article 116-3 (Submission and Issuance of Certificates of Tax Payment)**

(1) Each duty payer (including persons on whom no duty has been assessed; hereafter the same shall apply in this Article), who falls under any of the following subparagraphs, shall submit a certificate of tax payment, as prescribed by Presidential Decree: *<Amended by Act No. 16093, Dec. 31, 2018>*

1. Where he/she has received any payment from the State, a local government, or a government-managed institution prescribed by Presidential Decree;
2. Where an alien who has filed alien registration under Article 31 of the Immigration Act or a report on the place of residence in Korea under Article 6 of the Act on the Immigration and Legal Status of Overseas Koreans, files an application with the Ministry of Justice for a permit for a stay prescribed by Presidential Decree, such as a permit to extend the period of sojourn;
3. Where a national files a report of emigration with the Minister of Foreign Affairs under Article 6 of the Emigration Act to emigrate to a foreign country.

(2) The head of a customs office in receipt of an application for the issuance of a certificate of tax payment from a duty payer shall verify the fact of tax payment and issue the certificate of tax payment immediately.

### **Article 117 (Provision of Information)**

If a duty payer requests information necessary to exercise his/her right as a duty payer, a customs officer shall swiftly provide such information to him/her. In such cases, the customs officer shall also provide other information that such duty payer needs to know in connection with the requested information, as prescribed by the Commissioner of the Korea Customs Service.

### **Article 118 (Pre-Assessment Review)**

(1) Where the head of a customs office intends to collect a shortage of customs duties paid or payable under Article 38-3 (6) or 39 (2), he/she shall provide prior written notice thereon to a person liable for duty payment: Provided, That this shall not apply to any of the following subparagraphs: *<Amended by Act No. 11121, Dec. 31, 2011; Act No. 14379, Dec. 20, 2016>*

1. Where a limited period for assessing duties under Article 21 expires within three months from the date of notice;
2. Where a person liable for duty payment files a final value declaration in accordance with Article 28 (2);
3. Where a shortage is collected in the course of examining the amount of customs duties before an import declaration is accepted in accordance with the proviso to Article 38 (2);

4. Where reduced or exempted customs duties are collected in accordance with Article 97 (3) or 102 (2);
5. Where the amount of evaded customs duties is collected after an accusation is filed against a duty evasion offense in accordance with Article 270;
6. Where it is impracticable to collect customs duties due to prior notice, as prescribed by Presidential Decree.

(2) Any person liable for duty payment notified under paragraph (1), may apply for review of the legality of such notice (hereafter referred to in this Article, as "pre-assessment review") to the head of a customs office determined by Ordinance of the Ministry of Strategy and Finance within 30 days from the date of receipt of such notice: Provided, That in any cases prescribed by Presidential Decree, such as where 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 the statutes, a request to that effect may be filed with the Commissioner of the Korea Customs Service.

(3) The head of a customs office or the Commissioner of the Korea Customs Service in receipt of an application for pre-assessment review referred to in paragraph (2), shall make a decision following the review of the Customs Appeal Committee prescribed in Article 124 within 30 days from the date of receipt of such application; and notify the applicant of such decision: Provided, That the decision may be made without going through the review of the Customs Appeal Committee in cases falling under any ground prescribed by Presidential Decree, such as where an application for pre-assessment review is filed after the lapse of the period for filing an application for pre-assessment review. *<Amended by Act No. 11121, Dec. 31, 2011; Act No. 13548, Dec. 15, 2015>*

(4) Any decision with respect to an application for the pre-assessment review under paragraph (3) shall be made according to the following classifications: *<Amended by Act No. 15218, Dec. 19, 2017>*

1. Where an application is deemed groundless: A decision not to accept such application;
2. Where an application is deemed reasonable: A decision to accept all or part of such application: In such cases, where it is necessary to conduct additional investigation, such as verification of fact relations, to determine detailed scope of acceptance, a decision on reinvestigation may be made so that the head of a customs office who has given a notice under the main sentence of paragraph (1) can reinvestigate and notify the contents of original notice after amending them based on the findings thereof;
3. Where the given application period has expired or no revision has been made within the revision period, or where any wrongful application is filed: A decision not to review.

(5) Any person notified under the main sentence of paragraph (1) may apply for an early rectification of all or part of the notice to the head of a customs office who has given the notice without applying for pre-assessment review. In such cases, the head of the relevant customs office shall immediately rectify the amount of duty, as described in the application. *<Newly Inserted by Act No. 11121, Dec. 31, 2011>*

(6) Articles 122 (2), 123, 126, 128 (5) and (6), and 130 shall apply mutatis mutandis to the pre-assessment review. <Amended by Act No. 11121, Dec. 31, 2011>

(7) Articles 15, 16, 20 through 22, 29, 39 and 40 of the Administrative Appeals Act shall apply mutatis mutandis to the pre-assessment review. In such cases, "the Committee" shall be construed as "the Customs Appeal Committee." <Newly Inserted by Act No. 11121, Dec. 31, 2011>

(8) Methods for pre-assessment review and other necessary matters shall be prescribed by Presidential Decree.

#### **Article 119 (Appeal due to Dissatisfaction)**

(1) A person who is subject to an illegal and unfair disposition taken in accordance with this Act, other tariff-related Acts or a convention, or whose rights or interests are infringed on by a lack of the necessary disposition may file a request to cancel or modify such disposition or to take a necessary disposition in accordance with the provisions of this Section: Provided, That this shall not apply to the following dispositions: <Amended by Act No. 16093, Dec. 31, 2018>

1. A notification disposition taken under this Act;

2. A disposition taken to request an examination under the Board of Audit and Inspection Act or a disposition on such request for examination.

(2) Except where a disposition taken under the main sentence of paragraph (1) is or was subject to investigation, determination or processing by the Commissioner of the Korea Customs Service, an application for objection in accordance with this Section may be filed before filing an application for examination or adjudication of such disposition.

(3) No objection, examination or adjudication shall be filed with regard to any disposition on an application for examination or adjudication taken in accordance with this Section: Provided, That with regard to a disposition of an administrative agency based on a decision on reinvestigation made pursuant to the latter part of Article 128 (1) 3 (including cases where the Framework Act on National Taxes is applicable mutatis mutandis in Article 131), an application for examination or adjudication may be filed with the ruling agency that has made the relevant decision on reinvestigation. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(4) No objection shall be filed against any disposition on an application for objection taken in accordance with this Section or any disposition of an administrative agency based on a decision on reinvestigation made pursuant to the latter part of Article 128 (1) 3 (including cases applicable mutatis mutandis in Article 131). <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(5) A request for examination referred to in paragraph (1) 2 shall be filed within 90 days from the date (referring to the date on which a disposition notice is received) on which an applicant becomes aware that the relevant disposition has been taken. <Amended by Act No. 16093, Dec. 31, 2018>

(6) Any administrative litigation against a disposition that has undergone examination requested under paragraph (1) 2 shall be instituted against an administrative agency that has taken such disposition as a party, within 90 days from the date on which a notice with respect to a decision on such request for

examination was received, notwithstanding Articles 18 (2) and (3) and 20 of the Administrative Litigation Act. *<Amended by Act No. 16093, Dec. 31, 2018>*

(7) The periods provided for in paragraphs (5) and (6) shall be peremptory periods. *<Amended by Act No. 16093, Dec. 31, 2018>*

(8) A person dissatisfied with a disposition taken by the head of a customs office to impose, collect, reduce or exempt, or refund an internal tax, etc. on imported goods, may file an objection, a request for examination or adjudication in accordance with this Section.

(9) Any interested person prescribed by Presidential Decree, including any secondary person liable for duty payment whose rights or interests are infringed on by any disposition taken in accordance with this Act, by other tariff-related Acts or by a convention, may request the revocation or modification of such disposition or a necessary disposition by filing a request for examination of or adjudication on such disposition in accordance with this Section. In such cases, paragraphs (2) through (4) and (8) shall apply mutatis mutandis thereto. *<Amended by Act No. 16093, Dec. 31, 2018>*

(10) No overlapping request for examination or adjudication shall be filed with respect to the same disposition.

#### **Article 120 (Relationships with the Administrative Litigation Act, etc.)**

(1) The Administrative Appeals Act shall not apply to any disposition prescribed in Article 119: Provided, That Articles 15, 16, 20 through 22, 29, 39, 40, 42, and 51 of the same Act shall apply mutatis mutandis to any request for examination or adjudication. In such cases, "the Committee" shall be construed as "the Customs Appeal Committee," "Meeting of Tax Tribunal Examiners" or "Joint Meeting of Tax Tribunal Examiners." *<Amended by Act No. 11121, Dec. 31, 2011>*

(2) Notwithstanding the main sentence of Article 18 (1), (2) and (3) of the Administrative Litigation Act, any administrative litigation against any illegal disposition prescribed in Article 119 shall not be instituted unless a request for examination or adjudication and a decision thereon under this Act is made: Provided, That this shall not apply to any administrative litigation against a disposition of an administrative agency based on a decision on reinvestigation made under the latter part of Article 128 (1) 3 (including cases where the Framework Act on National Taxes applies mutatis mutandis in Article 131) with regard to an application for examination or adjudication. *<Amended by Act No. 16093, Dec. 31, 2018>*

(3) Notwithstanding Article 20 of the Administrative Litigation Act, any administrative litigation referred to in the main sentence of paragraph (2) shall be instituted within 90 days from the date on which the notice of a decision is given in response to a request for examination or adjudication was received: Provided, That if no notice of decision is received within a period for determination as prescribed in the main sentence of Article 128 (2) or 131, notwithstanding paragraph (2), an administrative litigation may be instituted from the date on which such period expires, even before the notice of decision is received. *<Amended by Act No. 16093, Dec. 31, 2018>*

(4) Notwithstanding Article 20 of the Administrative Litigation Act, any administrative litigation referred to in the proviso to paragraph (2) shall be instituted within the period classified as follows: *<Newly Inserted*

by Act No. 16093, Dec. 31, 2018>

1. Where it is instituted without filing an application for examination or adjudication under this Act: Within 90 days from the date on which a notice on the result of a disposition taken by an administrative agency after reinvestigation is received: Provided, That, where no notice on the result of a disposition taken by the ruling party is received until the expiration of the period for disposition (where an investigation is postponed or suspended or where the period of investigation is extended pursuant to the latter part of Article 128 (5), including the relevant period; hereafter the same shall apply in this subparagraph) prescribed in the former part of Article 128 (5) (including cases where the Framework Act on National Taxes applies mutatis mutandis pursuant to Article 131), an administrative litigation may be instituted on or after the date on which such period for disposition expires;

2. Where it is instituted after filing an application for examination or adjudication under this Act: Within 90 days from the date on which a notice on the decision made on the application for examination or adjudication filed against the disposition taken by an administrative agency after reinvestigation: Provided, That, where no notice on the decision is received until the expiration of the period for decision (including cases where the Framework Act on National Taxes applies mutatis mutandis in Article 131), an administrative litigation may be instituted on or after the date on which such period for decision expires.

(5) Where a person has filed a request for examination prescribed in Article 119 (1) 2, such person shall be deemed to have filed a request for examination or adjudication under this Act, and paragraph (2) shall apply mutatis mutandis to such person. <Amended by Act No. 16093, Dec. 31, 2018>

(6) The period provided for in paragraphs (3) and (4) shall be a peremptory period. <Amended by Act No. 16093, Dec. 31, 2018>

#### **Article 121 (Period for Filing Requests for Examination)**

(1) A request for examination shall be filed within 90 days from the date (referring to the date on which a disposition notice is received) on which a person becomes aware that the relevant disposition has been made.

(2) Where a person intends to file a request for examination after raising an objection, he/she shall file such request within 90 days from the date on which he/she was notified of a decision thereon: Provided, That where such person is not notified of such decision within a period for determination provided for in the proviso to Article 132 (4), he/she may file a request for examination from the date on which such period for determination expires, even before he/she is notified of such decision.

(3) Where a request for examination filed by postal service within the time limit specified in paragraph (1) and the main body of paragraph (2) (based on the day prescribed in Article 5-2 of the Framework Act on National Taxes) arrives after the expiration of the period set for filing such request, such request shall be deemed filed on the date on which such period expires. <Amended by Act No. 12159, Jan. 1, 2014>

(4) Where a person who intends to file a request for examination is unable to do so within the time limit fixed in paragraph (1) due to a reason prescribed in Article 10 (limited to a reason for extending the time

limit with respect to a return, application, request, submission of documents and notice), he/she may file such request within 14 days from the date on which such reason ceases to exist. In such cases, a person who files the request for examination shall present a document stating the reason he/she was unable to file a request for examination within such period, the date on which such reason occurred and the date on which such reason ceased to exist and other necessary matters.

#### **Article 122 (Procedures for Filing Requests for Examination)**

(1) A request for examination shall be filed with the Commissioner of the Korea Customs Service through the head of a customs office who has taken or should have taken such disposition, by stating the grounds for dissatisfaction in the written request for examination, as prescribed by Presidential Decree.

(2) In computing the period for filing a request for examination in accordance with Article 121, a request for examination shall be deemed filed at the time such request for examination is submitted to the head of a customs office pursuant to paragraph (1). This shall also apply where the relevant request is filed with the Commissioner of the Korea Customs Service or the head of a customs office, other than the head of a customs office referred to in paragraph (1).

(3) The head of a customs office shall, upon receipt of a written request for examination referred to in paragraph (1), forward such written request for examination to the Commissioner of the Korea Customs Service with his/her opinion attached thereto within seven days from the date of the receipt thereof.

(4) In receipt of a written opinion of the head of a customs office pursuant to paragraph (3), the Commissioner of the Korea Customs Service shall send a duplicate of the relevant opinion without delay to the person who has filed a request for examination. *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*

(5) A person who has filed a request for examination may submit any evidentiary document or evidence that is contrary to the written opinion received pursuant to paragraph (4). *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*

#### **Article 123 (Revision of Written Requests for Examination)**

(1) When the Commissioner of the Korea Customs Service deems that content and procedures of a written request for examination can be revised, even if it is not in conformity with this Section, he/she may request that the matters in question be revised within a fixed period of not exceeding 20 days: Provided, That if matters to be revised are insignificant, he/she may ex officio revise them.

(2) The revision period referred to in paragraph (1) shall not be counted in the period for filing a request for examination under Article 121.

#### **Article 124 (Customs Appeal Committee)**

(1) The Customs Appeal Committee shall be established in a customs office and the Korea Customs Service to deliberate on pre-assessment review filed under Article 118, a request for examination filed under Article 122, and objections filed under Article 132, respectively.

(2) Matters necessary for the composition and operation of the Customs Appeal Committee, matters to be deliberated on and other necessary matters shall be prescribed by Presidential Decree.



### **Article 125 (Effect of Requests for Examination on Execution)**

Any objection filed, any request for examination or adjudication filed shall not affect the execution of the relevant disposition, except as specifically provided in statutes: Provided, That when the pertinent ruling agency deems it necessary, it may cause the suspension of the execution thereof or suspend the execution thereof.

### **Article 126 (Attorneys)**

(1) A person who raises an objection, or files a request for examination or adjudication may appoint a lawyer or a licensed customs broker as his/her attorney. *<Amended by Act No. 14379, Dec. 20, 2016>*

(2) Where an amount subject to objection, or request for examination or adjudication is less than the amount prescribed by Presidential Decree, a person who raises an objection, or files a request for examination or adjudication, may appoint his/her spouse or his/her relative within the fourth degree of consanguinity or affinity as his/her attorney. *<Newly Inserted by Act No. 14379, Dec. 20, 2016>*

(3) The authority of an attorney shall be verified in writing.

(4) Attorneys may perform any and all activities relating to any request for a principal: Provided, That a request shall be withdrawn only when he/she is specifically authorized to do so.

(5) When a person dismisses his/her attorney, he/she shall report his/her will, in writing, to the ruling agency.

### **Article 127 (Procedures for Decision)**

(1) When any request for examination is filed pursuant to Article 122, the Commissioner of the Korea Customs Service shall determine thereon after undergoing deliberation thereon by the Customs Appeal Committee: Provided, That this shall not apply where a request for examination is filed after the expiration of the examination request period and cases which fall under the causes prescribed by Presidential Decree.

(2) No meeting of the Customs Appeal Committee shall be open to the public: Provided, That such meeting may be made open to the public when the Chairperson of the Customs Appeal Committee deems it necessary to do so.

### **Article 128 (Decisions)**

(1) Any decision on a request for examination shall be made according to the following classifications: *<Amended by Act No. 14379, Dec. 20, 2016; Act No. 15218, Dec. 19, 2017>*

1. When a request for examination falls under any of the following cases: A decision to dismiss such request:

(a) Where a request for examination is filed after filing a request for adjudication (including where they are filed on the same day);

(b) Where a request for examination is filed after the expiration of the period for filing a request for examination prescribed in Article 121 (including where they are filed on the same day);

(c) Where a necessary revision is not made within the revision period prescribed in Article 123;

(d) Where any unlawful request for examination is filed;

(e) Cases prescribed by Presidential Decree, as those similar to cases referred to in items (a) through (d);

2. When a request for examination is deemed groundless: A decision to reject such request;

3. When a request for examination is deemed reasonable: A decision to revoke or rectify a disposition with respect to such request, or to take a necessary disposition. In such cases, where it is necessary to conduct additional investigation, such as verification of fact relations, to revoke or rectify the disposition, or to take a necessary disposition, a decision on reinvestigation may be made so that the administrative agency that has taken such disposition can reinvestigate and revoke or rectify the disposition, or to take a necessary disposition based on the findings thereof.

(2) Decisions shall be made under paragraph (1) within 90 days from the date on which a request for examination is filed: Provided, That this shall not apply in extenuating circumstances.

(3) When a decision is made in accordance with paragraph (1), a written decision stating the reasons thereof shall be served on a person who has filed a request for examination within the period fixed under paragraph (2).

(4) A revision period referred to in Article 123 shall not be included in a period for making a decision under paragraph (2).

(5) Where a decision is made to conduct a reinvestigation pursuant to the latter part of paragraph (1) 3, the administrative agency that has taken the relevant disposition shall conduct investigation within the scope specified in the text of the written decision within 60 days from the date the reinvestigation is determined, and shall revoke or rectify the disposition or take a necessary disposition based on the findings of the reinvestigation. In such cases, the administrative agency that has taken the relevant disposition may postpone or suspend the investigation or extend the period of investigation as prescribed by Presidential Decree. <Newly Inserted by Act No. 15218, Dec. 19, 2017>

(6) Except as otherwise expressly provided for in the latter part of paragraph (1) 3 and paragraph (5), matters necessary for determining reinvestigation shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 15218, Dec. 19, 2017>

#### **Article 129 (Notice of Method of Appealing Dissatisfaction)**

(1) The ruling agency having the authority to decide on any objection raised and any examination or adjudication requested shall enter the following matters in a written decision:

1. In cases of raising an objection: To the effect that a request for examination or adjudication may be filed within 90 days from the date on which a written decision thereon was received;

2. In cases of filing a request for examination or adjudication: To the effect that an administrative litigation may be instituted within 90 days from the date on which a written decision thereon was received.

(2) When the ruling agency having the authority to decide on any objection raised and any examination or adjudication requested fails to make a decision thereon until the expiration of the period for deciding on either of such requests, it shall promptly notify the applicant or the claimant of the following matters in

writing:

1. In cases of raising an objection: To the effect that a request for examination or adjudication may be filed from the date on which the period for decision expires even before a decision notice is received;
2. In cases of filing a request for examination or adjudication: To the effect that an administrative litigation may be instituted from the date on which the period of decision expires even before a decision notice is received.

#### **Article 130 (Perusal of Documents and Statement of Opinions)**

A person who raises an objection or files a request for examination or adjudication, or an administrative agency that has taken a disposition (limited to an administrative agency that has taken the disposition on a request for adjudication) may peruse documents pertaining to such request and state his/her opinion to the ruling agency, as prescribed by Presidential Decree. *<Amended by Act No. 13548, Dec. 15, 2015>*

#### **Article 131 (Requests for Adjudication)**

@Section 3 of Chapter VII of the Framework Act on National Taxes shall apply mutatis mutandis to any request for adjudication under Article 119 (1). In such cases, "head of a tax office" and "Administrator of the National Tax Service" referred to in the same Act shall be deemed "head of a customs office" and "Commissioner of the Korea Customs Service," respectively.

#### **Article 132 (Objections)**

(1) An objection shall be raised to the head of a customs office that has taken or should have taken the relevant disposition, stating the reasons of the dissatisfaction therewith, as prescribed by Presidential Decree. In such cases, an objection to the matters decided as referred to in Article 258 or to the amount of duty as referred to in Article 259 (1) may be filed by submitting a written objection to the postmaster of the post office who directly mailed the notice of the relevant matters decided or the amount of duty; and the head of the customs office shall be deemed to have received the written objection at the time the postmaster of the post office has received it.

(2) The head of a customs office in receipt of an objection pursuant to paragraph (1) shall make a decision thereon after deliberation by the Customs Appeal Committee. *<Amended by Act No. 11121, Dec. 31, 2011>*

(3) Deleted. *<by Act No. 11121, Dec. 31, 2011>*

(4) Articles 121, 122 (2), 123, 127 and 128 shall apply mutatis mutandis to filing of objections: Provided, That "90 days" in Article 128 (2) shall be construed as "30 days (60 days, if evidentiary documents or evidence are submitted pursuant to paragraph (6))". *<Amended by Act No. 15218, Dec. 19, 2017>*

(5) The head of a customs office in receipt of an objection pursuant to paragraph (1) shall send a written opinion on the disposition that has become subjected to the application for objection, to the person who has filed it within seven days from the date the application for objection is received. In such cases, the written opinion shall specify the grounds of and reasons for the disposition and the facts, etc. which have served as a reason for the disposition. *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*

(6) A person who has filed an objection may submit any evidentiary document or evidence that is contrary to the written opinion received pursuant to the former part of paragraph (5). *<Newly Inserted by Act No.*

15218, Dec. 19, 2017>

**Article 133 (Designation, etc. of Open Ports)**

(1) Open ports shall be designated by Presidential Decree.

(2) Matters necessary for standards for installations, etc. of open ports referred to in paragraph (1) shall be prescribed by Presidential Decree.

(3) Where an open port falls below the standards for installations, etc. referred to in paragraph (2), the operating authority of the open port shall promptly improve such installations, etc.; and the Minister of Strategy and Finance may issue an order to improve such installations, etc., as prescribed by Presidential Decree. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

**Article 134 (Entry into, and Departure from Open Ports, etc.)**

(1) Any foreign trade vessel or foreign trade aircraft shall be entitled to enter and depart from only open ports: Provided, That this shall not apply where any foreign trade vessel or foreign trade aircraft is granted with permission for entering and departing from an area other than an open port, as prescribed by Presidential Decree.

(2) When the captain of any foreign trade vessel or the captain of any foreign trade aircraft intends to obtain permission referred to in the proviso to paragraph (1), he/she shall pay permission fees, as determined by Ordinance of the Ministry of Strategy and Finance.

(3) The head of a customs officer shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under the proviso to paragraph (1) is received. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(4) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (3), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period) ends. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

**Article 135 (Procedures for Entry into Ports)**

(1) When any foreign trade vessel or any foreign trade aircraft enters into an open port (including any area into which the entry of any foreign trade vessel or any foreign trade aircraft is permitted pursuant to the proviso to Article 134 (1); hereinafter the same shall apply), its captain shall immediately file with the head of a customs office, a port entry report, appended by a list of vessel or aircraft supplies stating matters prescribed by Presidential Decree, a list of passengers, a list of crew, a list of the crew's personal effects and a cargo manifest. In cases of any foreign trade vessel, the vessel's certificate of nationality, a clearance permission from the final port of the departure or documents substituting them shall also be presented to the head of the customs office: Provided, That if no impediment to supervision and surveillance is deemed to exist, the head of a customs office may exempt the captain from appending the list of vessel or aircraft supplies and the list of crews' personal effects.

(2) When it is necessary to expedite procedures of an entry and a customs clearance and to efficiently conduct supervision and surveillance, the head of a customs office may have the relevant shipping company or the relevant airline (including any agent acting for such shipping company or such airline; hereinafter the same shall apply) to which the foreign vessel or aircraft entering into the open port belongs submit a list of passengers, a cargo manifest, etc. referred to in paragraph (1) before such foreign vessel or aircraft enters the open port, as prescribed by the Commissioner of the Korea Customs Service: Provided, That the head of a customs office may request a cargo transportation broker under Article 222 (1) 2 (limited to a transportation business entity of consignments under Article 254-2 (1); hereafter the same shall apply in this paragraph) that meets the requirements prescribed by Presidential Decree to submit a cargo manifest prepared by it, as determined by the Commissioner of the Korea Customs Service.  
<Amended by Act No. 13548, Dec. 15, 2015>

#### **Article 136 (Procedures for Departing from Open Ports)**

(1) When any foreign trade vessel or any foreign trade aircraft intends to depart from any open port, the captain of such foreign trade vessel or the captain of such foreign trade aircraft shall obtain a departure permission from the head of a customs office in advance.

(2) When the captain of any foreign trade vessel or the captain of any foreign trade aircraft intends to obtain a departure permission under paragraph (1), he/she shall submit a list of goods loaded at the open port: Provided, That where the head of a customs office separately changes a period for submitting the list of goods within the limit of seven days from the date on which the departure is permitted out of the need to expedite departure procedures, such list may be submitted within the relevant period.

(3) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under paragraph (1) is received. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(4) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (3), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period) ends. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

#### **Article 137 (Simplified Procedures for Entry into and Departure from Open Ports)**

(1) Where any foreign trade vessel or any foreign trade aircraft enters into an open port and departs therefrom within 24 hours without loading or unloading any goods (including the vessel or aircraft supplies and the personal effects of their crews), the head of a customs office may exempt the captain of such vessel or such aircraft from submitting a cargo manifest prescribed by Article 135, a list of vessel or aircraft supplies, a list of passengers, a list of crew, a list of crews' personal effects and a list of loaded goods provided for in Article 136.

(2) Where any foreign trade vessel or any foreign trade aircraft, which has completed the procedure pursuant to Article 135, re-enters into another open port in Korea, the head of a customs office may, by applying paragraph (1) mutatis mutandis, have such vessel or such aircraft enter or leave the port under simplified procedures, including skipping submission of documents, etc.

**Article 137-2 (Requests for Passenger Reservation Data)**

(1) Where necessary to perform any of the following affairs, the head of a customs office may request a shipping company or airline to permit him/her to peruse, or to submit within the time limit determined by Ordinance of the Ministry of Strategy and Finance, through the information and communications network, the passenger reservation data in the reservation information system (hereafter referred to as "passenger reservation data" in this Article) operated by the shipping company or airline to which the vessel or aircraft entering into or departing from the open port pursuant to Article 135 or 136 belongs. In such cases, the relevant shipping company and airline shall comply therewith:

1. An affair of inspecting the persons who have exported or imported, or intend to export or import the contraband goods provided for in Article 234;
2. An affair of inspecting a person who violates Article 241 (1) and (2), or who intends to export or import or to return any of the following goods, in violation of Article 241 (1) and (2):
  - (a) Narcotics prescribed in Narcotics Control Act;
  - (b) Firearms, swords, explosives, injectors, electronic percussion locks and arbalists prescribed in the Control of Firearms, Knives, Swords, Explosives, etc. Act.

(2) The passenger reservation data that the head of a customs office may request to peruse or submit pursuant to paragraph (1) shall be limited to the following data:

1. Nationality, name, date of birth, passport number and reservation number;
2. Address and telephone number;
3. The time the reservation is made and the check-in process is completed;
4. The number and issuance date of the airline ticket or passage ticket, the name of city where such ticket has been issued, and the method of payment;
5. The course of travel and travel agency;
6. Accompanying passengers and the seat number;
7. The data on baggage;
8. The number and class of membership where a passenger has become a member of the airline or shipping company and data on the order by the passenger.

(3) A person who is permitted to peruse the passenger reservation data supplied pursuant to paragraph (1) shall be limited to the customs officers designated by the head of a customs office.

(4) No customs officer pursuant to paragraph (3) shall use the passenger reservation data that he/she came to know in the course of his/her duty for unlawful purposes, such as disclosure, treatment without authority, offer for other persons' use, etc.

(5) Matters necessary for the method of perusal, period of preservation, etc. of the passenger reservation data provided pursuant to paragraph (1) shall be prescribed by Presidential Decree.

**Article 138 (Exemption from Obligation due to Calamities or Unavoidable Causes)**

(1) Articles 134 through 137 and 140 through 143 shall not apply to the cases resulting from a disaster or an unavoidable cause.

(2) In cases falling under paragraph (1), the captain of any foreign trade vessel or the captain of any foreign trade aircraft shall promptly file a report thereon with customs officers or national police officers (limited to cases where no customs officers are available).

(3) Any national police officer, upon receipt of the report referred to in paragraph (2) shall notify a customs officer of a summary of such report without delay.

(4) The captain of any foreign trade vessel or the captain of any foreign trade aircraft shall file, without delay, a full report thereon with the head of a customs office when the disaster or the unavoidable cause in question ceases to exist.

**Article 139 (Report on Stopover at Foreign Open Ports)**

When any domestic vessel or any domestic aircraft stops over at any foreign open port and returns to Korea thereafter on the grounds of a calamity or an unavoidable cause, the captain of such vessel or such aircraft shall promptly report such fact to the head of a customs office, and if any goods are loaded into such vessel or such aircraft overseas, a list thereof shall be submitted to the head of the customs office.

**Article 140 (Loading and Unloading of Goods)**

(1) Any foreign trade vessel or any foreign trade aircraft shall be prohibited from loading, unloading or transshipping goods unless the procedures for port entry provided for in Article 135 are completed: Provided, That this shall not apply where permission therefor is obtained from the head of a customs office.

(2) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under the proviso to paragraph (1) is received. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(3) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (2), permission shall be deemed granted on the day following day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period). *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(4) If goods are to be loaded onto, unloaded from or transshipped into any foreign trade vessel or any foreign trade aircraft, the captain of such foreign trade vessel or the captain of such aircraft shall file a report thereon with the head of a customs office and obtain verification thereof from any customs officer on the spot: Provided, That this shall not apply where such customs officer deems such verification unnecessary. *<Amended by Act No. 16093, Dec. 31, 2018>*

(5) When the head of a customs office deems it necessary for supervision and surveillance, he/she may restrict the place and the passage where goods are loaded or unloaded (hereinafter referred to as "loading and unloading passage") and the period of loading and unloading goods under paragraph (4). *<Amended by Act No. 16093, Dec. 31, 2018>*

(6) No domestic goods may be loaded onto any foreign trade vessel or any foreign trade aircraft; and no foreign goods may be loaded onto any domestic vessel or any domestic aircraft: Provided, That this shall not apply where permission therefor is obtained from the head of a customs office. *<Amended by Act No. 16093, Dec. 31, 2018>*

#### **Article 141 (Temporary Unloading, etc. of Foreign Goods)**

If any of the following acts are to be performed, a report thereon shall be filed with the head of a customs office and the verification thereof shall be obtained from a customs officer on the spot: Provided, That where the Commissioner of the Korea Customs Service prescribes otherwise by deeming that supervision or surveillance is not impeded, such report and verification may be filed or obtained in a simplified manner or skipped:

1. Where foreign goods are temporarily unloaded from the means of transportation onto land;
2. Where a person, other than passengers, crew or operators is willing to board the relevant means of transportation;
3. Where goods are transferred from the means of transportation loaded with foreign goods to other means of transportation in transshipment or combined transshipment, or people are transferred from a means of transportation to another means of transportation.

#### **Article 142 (Loading and Unloading of Goods Outside Open Ports)**

(1) Where any foreign trade vessel intends to have its goods loaded, unloaded or trans-shipped at a place outside an open port, the captain of such vessel shall obtain permission therefor from the head of a customs office.

(2) Where the captain of such vessel intends to obtain permission in accordance with paragraph (1), he/she shall pay permission fees, as determined by Ordinance of the Ministry of Strategy and Finance.

(3) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under paragraph (1) is received. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(4) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (3), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period) ends. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

#### **Article 143 (Loading, Unloading, etc. of Vessel Supplies and Aircraft Supplies)**



(1) Where any of the following goods is to be loaded onto, unloaded from, or trans-shipped into any foreign trade vessel or any foreign trade aircraft, the captain of such vessel or aircraft shall obtain permission therefor from the head of a customs office; and such loading, unloading, trans-shipping shall be conducted as specified in the approval thereof: <Amended by Act No. 12159, Jan. 1, 2014>

1. Supplies for the relevant vessel or aircraft;

2. Goods for sale in the relevant foreign vessel or foreign aircraft.

(2) Where goods falling under any subparagraph of paragraph (1) are foreign goods arriving in Korea from any foreign country, they may be loaded onto any foreign trade vessel or any foreign trade aircraft of the same country only within a bonded area.

(3) The types and volume of the goods provided for in subparagraphs of paragraph (1) shall be limited to the scope deemed appropriate by the head of a customs office, in consideration of the type, tonnage, weight, the number of navigation days and the number of passengers, crew, etc. of the relevant foreign vessel or the relevant foreign aircraft.

(4) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under paragraph (1) is received. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(5) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (4), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period) ends. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(6) Where vessels or aircraft supplies that are foreign goods provided for in paragraph (2) and goods to be sold in any foreign trade vessel or any foreign trade aircraft are not loaded onto the means of transportation, as provided for in the permission for loading, unloading or transshipment referred to in paragraph (1), customs duties shall be immediately collected from a person that has obtained such permission: Provided, That this shall not apply to any of the following subparagraphs: <Amended by Act No. 12847, Dec. 23, 2014; Act No. 16093, Dec. 31, 2018>

1. Where the goods are shipped again into a bonded area within a period fixed by the head of a customs office;

2. Where the goods are destroyed or lost due to a disaster or other extenuating grounds;

3. Where the goods are disposed of upon prior approval of the head of a customs office.

(7) Necessary matters concerning types and volume of goods, management of the breakdown of the uses or sales of goods, procedures for loading, unloading or transshipment of goods which require permission referred to in paragraph (1) shall be prescribed by the Commissioner of the Korea Customs Service. <Amended by Act No. 12847, Dec. 23, 2014; Act No. 16093, Dec. 31, 2018>

#### **Article 144 (Conversion, etc. of Foreign Trade Vessels into Domestic Vessels)**

When it is intended to convert any foreign trade vessel or foreign trade aircraft into a domestic vessel or domestic aircraft, or to convert any domestic vessel or domestic aircraft to a foreign trade vessel or foreign trade aircraft, the captain of such vessel or aircraft shall obtain approval therefor from the head of a customs office.

#### **Article 145 (Person Acting for Captain, etc.)**

The provisions of Articles 134 (2), 135 (1), 136, 138 (2) and (4), 139, 142, and 144 shall also apply to a person acting for the captain of a vessel or an aircraft.

#### **Article 146 (Other Vessels or Aircraft)**

(1) Regulations governing foreign trade vessels or foreign trade aircraft shall apply mutatis mutandis to any of the following vessels or aircraft: Provided, That this shall not apply to any vessel or aircraft prescribed by Presidential Decree:

1. Any vessel or aircraft navigating overseas other than foreign trade vessels or foreign trade aircraft;
2. Any aircraft navigating domestically only to exclusively transport tourists travelling overseas and the goods referred to in Article 241 (2) 1 (hereinafter referred to as "aircraft navigating domestically for transfer only").

(2) Notwithstanding paragraph (1), Article 143 (2) shall not apply to the aircraft navigating domestically for transfer only, and necessary matters for efficient customs clearance, supervision and surveillance may be prescribed by Presidential Decree.

#### **Article 147 (Vessels Navigating Border Rivers)**

Regulations governing foreign trade vessels shall not apply to domestic vessels which only navigate a border river.

#### **Article 148 (Customs Routes)**

(1) Every vehicle crossing a national border (hereinafter referred to as "border-crossing vehicle") shall pass through an applicable customs route and stop at the relevant customs clearance stations or customs clearance areas.

(2) Customs routes referred to in paragraph (1) shall be designated by the head of a customs office among railways linking land borders with customs clearance stations, and roads or waterways linking land borders with customs clearance areas.

(3) Customs clearance stations shall be designated by the Commissioner of the Korea Customs Service among railway stations linking themselves to foreign countries and railway stations adjacent to a national border.

(4) Customs clearance areas shall be designated by the head of a customs office among places linking themselves to customs routes.

#### **Article 149 (Procedures for Arrival of Border-Crossing Vehicles)**

(1) When any border-crossing vehicle arrives at any customs clearance station or customs clearance area, the head of such customs clearance station or the driver of an on-road vehicle (referring to a means of

transportation, other than a vessel, railroad vehicle, or aircraft; hereinafter the same shall apply) shall, without delay, file an arrival report, appended by a list of vehicle supplies, a list of passengers, a list of crew's personal effects and a cargo manifest determined by the Commissioner of the Korea Customs Service, and present a departure permit obtained from its final place of departure or a document substituting such permit to the head of a customs office: Provided, That when the head of the customs office deems that no impediment to supervision and surveillance exists, he/she may exempt such border-crossing vehicle from appending the list of vehicle supplies or the list of crew's personal effects thereof.

(2) When the head of a customs office deems it necessary to expedite the procedures for entry and departure and to efficiently conduct supervision and surveillance, he/she may have a company (including its agent; hereinafter the same shall apply) to which the relevant vehicle belongs submit a list of passengers and a cargo manifest referred to in paragraph (1) before such vehicle arrives at any customs clearance station or customs clearance point, as determined by the Commissioner of the Korea Customs Service.

(3) Notwithstanding paragraph (1), the driver of an on-road vehicle used for recurrently transporting any of the goods prescribed by Presidential Decree in certain installments during a certain period may use a visa obtained pursuant to Article 152 (3) as a substitute for an arrival report: Provided, That this shall not apply to a final arrival notice.

(4) The driver of an on-road vehicle who uses a visa obtained as a substitute for an arrival report in accordance with paragraph (3) shall submit all documents set forth in paragraph (1) when filing the final arrival notice.

#### **Article 150 (Procedures for Departure of Border-Crossing Vehicles)**

(1) When any border-crossing vehicle is to depart from a customs clearance station or customs clearance point, the head of such customs clearance station and the driver of such vehicle shall file a departure report with the head of the relevant customs office and obtain a departure permission from the head of the customs office.

(2) When the head of a customs clearance station or the driver of an on-road vehicle intends to obtain a departure permission referred to in paragraph (1), he/she shall submit a list of goods loaded at the customs clearance station or the customs clearance area.

(3) Notwithstanding paragraph (1), the driver of an on-road vehicle used for recurrently transporting any of the goods prescribed by Presidential Decree in certain installments in a certain period may use a visa obtained in accordance with Article 152 (2) as a substitute for a departure report or a departure permission: Provided, That this shall not apply to an initial departure report or an initial departure permission.

(4) A person who intends to operate an on-road vehicle in accordance with paragraph (3) shall report such intention to the head of the competent customs office in advance, as prescribed by Ordinance of the Ministry of Strategy and Finance.

#### **Article 151 (Loading, Unloading, etc. of Goods)**

(1) A person who intends to load or unload foreign goods onto or from a vehicle at any customs clearance station or customs clearance area shall file a report thereon with the head of the customs office and obtain verification from a customs officer on the spot: Provided, That the same shall not apply where such customs officer deems it unnecessary to give such verification.

(2) Article 143 shall apply mutatis mutandis to cases where vehicle supplies and goods sold in a border-crossing vehicle are loaded or transshipped onto the relevant vehicle.

**Article 151-2 (Conversion, etc. of Border-Crossing Vehicles into Those Running within National Border)**

The head of a customs clearance station or the driver of an on-road vehicle who intends to convert a border-crossing vehicle into a vehicle running within the country (hereinafter referred to as "vehicle for domestic operation"), and vice versa, shall obtain approval therefor from the head of a customs office: Provided, That this shall not apply to vehicles determined by Ordinance of the Ministry of Strategy and Finance.

**Article 151-3 (Persons Acting for Head of Customs Clearance Station)**

The provisions of Articles 149 (1), 150, 151-2, and 152 shall also apply to a person who acts for the head of a customs clearance station or the driver of an on-road vehicle.

**Article 152 (On-Road Vehicles Crossing National Border)**

(1) The driver of an on-road vehicle who intends to cross a national border shall obtain a document certifying that the on-road vehicle is permitted to cross such national border from the head of the competent customs office.

(2) The driver of an on-road vehicle shall present the document under paragraph (1) to a customs officer to obtain a visa when crossing the national border. In such cases, presenting the document and obtaining a visa may be processed by electronic means.

(3) A person who intends to obtain a visa under paragraph (2) shall pay a fee, as determined by Ordinance of the Ministry of Strategy and Finance: Provided, That vehicles determined by Ordinance of the Ministry of Strategy and Finance shall be exempted from such fee.

**Article 153 Deleted.** <by Act No. 8136, Dec. 30, 2006>

**Article 154 (Categories of Bonded Areas)**

Bonded areas shall be categorized into the designated bonded areas, licensed bonded areas and general bonded areas; the designated bonded areas are further categorized into the designated storage places and the customs inspection places; the licensed bonded areas are categorized into the bonded warehouse, the bonded factory, the bonded exhibition, the bonded construction work site and the bonded store.

**Article 155 (Storage of Goods)**

(1) Foreign goods and domestic goods for which a report on their domestic transportation is about to be filed under Article 221 (1) shall be prohibited from being stored in a place other than a bonded area: Provided, That this shall not apply to any of the following goods:

1. Goods on which an export declaration under Article 241 (1) is accepted;
  2. Goods difficult or inappropriate to be stored in a bonded area due to their excessive sizes and weights or other grounds;
  3. Goods temporarily stored due to a disaster or other unavoidable causes;
  4. Goods subject to quarantine;
  5. Goods in seizure;
  6. Postal items.
- (2) Articles 157, 158 through 161, 163, 172, 177, 208 through 212 and 321 shall apply mutatis mutandis to goods referred to in paragraph (1) 1 through 4.

**Article 156 (Permission for Storage of Goods outside Bonded Areas)**

- (1) A person who intends to store goods falling under Article 155 (1) 2 in a place other than a bonded area shall obtain permission from the head of a customs office.
- (2) Where the head of a customs office intends to grant permission referred to in paragraph (1) with respect to foreign goods, he/she may order security equivalent to the amount of customs duties on the relevant goods offered and necessary facilities installed.
- (3) A person who intends to obtain permission provided for in paragraph (1) shall pay fees according to the amount and method determined by Ordinance of the Ministry of Strategy and Finance.

**Article 157 (Shipment of Goods into and out of Bonded Areas)**

- (1) A person who intends to ship goods into or out of a bonded area shall file a report thereon with the head of a customs office, as prescribed by Presidential Decree.
- (2) When a person intends to ship goods into or out of a bonded area under paragraph (1), the head of a customs office may require a customs officer to monitor such shipment and such customs officer may inspect the relevant goods.
- (3) The head of a customs office may place restrictions on the kinds of goods that may be shipped into any bonded area.

**Article 157-2 (Shipment of Goods on which Import Declaration is Accepted out of Bonded Areas)**

The owner or shipper of the goods on which an import declaration was accepted after being carried into the bonded area designated by the Commissioner of the Korea Customs Service shall ship the relevant goods out of the bonded area within 15 days from the date on which the said import declaration is accepted, notwithstanding Article 177: Provided, That this shall not apply where he/she has obtained approval for the extension of the relevant shipment period from the head of a customs office as no obstruction to the storage of foreign goods is deemed to exist.

**Article 158 (Maintenance and Supplementary Work)**

- (1) Maintenance and supplementary work may be conducted to sustain the current conditions of goods stored in a bonded area; and similar maintenance and supplementary work may be conducted to re-pack, divide and combine without changing their nature. In such cases, when the head of the competent customs office deems it impractical to conduct any maintenance and supplementary work in a bonded area, such

work may be conducted in a designated place outside the bonded area for a designated period.

(2) A person who intends to conduct any maintenance and supplementary work under paragraph (1) shall obtain approval from the head of a customs office.

(3) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under paragraph (2) is received. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(4) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (3), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period) ends. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(5) Domestic goods added to any foreign goods through the maintenance and supplementary work conducted in accordance with paragraph (1) shall be deemed foreign goods.

(6) No foreign goods shall be used as raw materials for any maintenance and supplementary work conducted for goods to be imported.

(7) Where any maintenance and supplementary work is conducted in accordance with the latter part of paragraph (1), Article 187 (4), (5) and (7) shall apply mutatis mutandis to the inspection, etc. of such goods when they are shipped out of a bonded area. *<Amended by Act No. 16093, Dec. 31, 2018>*

#### **Article 159 (Dismantling or Cutting Work of Goods)**

(1) Any work may be conducted to alter the original form of, or dismantle or cut goods stored in a bonded area.

(2) A person who intends to conduct the work referred to in paragraph (1) shall obtain permission from the head of a customs office.

(3) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under paragraph (2) is received. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(4) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (3), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period) ends. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(5) Kinds of goods for which the work provided for in paragraph (1) may be conducted shall be designated by the Commissioner of the Korea Customs Service. *<Amended by Act No. 16093, Dec. 31, 2018>*

(6) When deemed necessary with respect to goods on which an import declaration is filed, the head of a customs office may order the owner of such goods or a person entrusted by such owner to conduct such

work provided for in paragraph (1). <Amended by Act No. 16093, Dec. 31, 2018>

#### **Article 160 (Disposal of Stored Goods)**

(1) A person who intends to dispose of goods stored in a bonded area due to their decomposition, damage and other reasons shall obtain approval from the head of a customs office.

(2) When foreign goods stored in a bonded area are destroyed or lost, or disposed, customs duties thereon shall be collected from their manager or custodian: Provided, That this shall not apply where such foreign goods are destroyed or lost due to a disaster or other unavoidable causes, or disposed of upon prior approval by the head of a customs office.

(3) If there exist any foreign goods remaining after being disposed of upon approval obtained in accordance with paragraph (1), customs duties shall be assessed on such remainder according to the quality and quantity of such remainder.

(4) With respect to goods stored in any bonded area which fall under any of the following subparagraphs, notwithstanding paragraph (1), the head of a customs office may order an owner, shipper, person entrusted by the owner or shipper or a secondary person liable for duty payment under Articles 38 through 41 of the Framework Act on National Taxes (hereinafter referred to as "owner of goods, etc.") to return or dispose of such goods, or may dispose such goods after serving a notice thereon on the owner of goods, etc.: Provided, That when there is no time for serving such notice because of an emergency, such notice shall be served immediately after the goods are disposed of:

1. Goods feared to endanger human life or damage property;
2. Decomposed or deteriorated goods;
3. Goods whose marketable period has expired;
4. Goods whose commercial value has been lost;
5. Goods corresponding to those referred to in subparagraphs 1 through 4, determined by the Commissioner of the Korea Customs Service.

(5) If it is impossible to serve a notice referred to in paragraph (4) due to a failure to identify the domicile and residence of the owner of goods, etc. and other reasons, such notice may be published instead.

(6) If the head of a customs office disposes of goods or the owner of goods, etc. disposes of or returns goods in accordance with paragraphs (1) and (4), the cost incurred therefrom shall be defrayed by the owner of goods, etc.

#### **Article 161 (Shipment of Goods out of Bonded Areas as Samples)**

(1) A person who intends to fully or partially ship goods out of a bonded area to use them as samples, shall obtain permission therefor from the head of a customs office.

(2) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under paragraph (1) is received. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(3) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil

petitions within the period provided for in paragraph (2), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period) ends. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(4) When a customs officer deems it necessary to inspect goods shipped into a bonded area, he/she may take part of such goods for sample use. <Amended by Act No. 16093, Dec. 31, 2018>

(5) When any of the following goods is used or consumed, it shall be deemed that an import declaration on such goods has been filed and then customs duties thereon have been paid: <Amended by Act No. 14379, Dec. 20, 2016; Amended by Act No. 16093, Dec. 31, 2018>

1. Goods taken under paragraph (2);
2. Goods verified by the head of a customs office as those taken for use as a sample for inspection, quarantine, etc. to be conducted under any other Act.

#### **Article 162 (Control of Goods Handlers)**

Any of the following persons shall comply with any order issued by the head of a customs office with respect to the control of goods and the supervision of a bonded area and be put under command of a customs officer:

1. A person who handles goods referred to in each subparagraph of Article 155 (1);
2. A person who is granted access to a bonded area.

#### **Article 163 (Dispatch of Customs Officers)**

The head of a customs office may dispatch a customs officer to a bonded area to perform official business therein.

#### **Article 164 (Self-Managed Bonded Areas)**

(1) With respect to goods stored in a bonded area (hereinafter referred to as "self-managed bonded area") designated by the head of a customs office, from among bonded areas, as stipulated by the Commissioner of the Korea Customs Service since he/she deems that no impediment to customs monitoring and the control of such goods exists, the participation of a customs officer as prescribed in Article 157 and the procedures prescribed by the Commissioner of the Korea Customs Service from among the procedures as prescribed in this Act shall be omitted.

(2) When the manager or the operator of goods in a bonded area intends to have a bonded area designated as a self-managed bonded area, he/she shall file an application for the designation thereof with the head of a customs office.

(3) A person who intends to file an application for the designation of a self-managed bonded area in accordance with paragraph (2) shall employ a person in charge of managing goods stored in the relevant bonded area (hereinafter referred to as "bonded goods caretaker").

(4) The head of a customs office shall, upon receipt of an application for designation referred to in paragraph (2), designate a self-managed bonded area when he/she deems it appropriate for a self-managed bonded area after verifying the location, facilities, etc. of the relevant bonded area.



(5) A person who has had his/her bonded area designated as a self-managed bonded area under paragraph (4) shall enter goods shipped in and out of such self-managed bonded area in registers.

(6) Where a person who has had his/her bonded area designated as a self-managed bonded area fails to fulfill his/her obligations prescribed in this Act or where any cause prescribed by Presidential Decree, such as a cause deemed an impediment to customs monitoring, occurs, the head of a customs office may revoke the designation referred to in paragraph (4). *<Amended by Act No. 15218, Dec. 19, 2017>*

#### **Article 165 (Qualifications, etc. for Bonded Goods Caretakers)**

(1) Any bonded goods caretaker shall not fall under any of subparagraphs 1 through 7 of Article 175, but shall fall under any of the following subparagraphs: *<Amended by Act No. 11602, Jan. 1, 2013; Act No. 12159, Jan. 1, 2014>*

1. A person who has served as a general public official in charge of customs administration affairs for at least five years;

2. A person who has passed an examination on the management of bonded goods.

(2) Where a person qualified under paragraph (1) intends to work as a bonded goods caretaker, he/she shall file a registration with the head of a customs office having jurisdiction over the relevant bonded area.

(3) Any person for whom two years have not passed after his/her registration was revoked pursuant to paragraph (4) (excluding cases where the registration was revoked by falling under any of subparagraphs 1 through 3 of Article 175) shall not be eligible to be registered pursuant to paragraph (2). *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*

(4) Where a person registered under paragraph (2) is found to fall under any of the following subparagraphs, the head of a customs office may revoke his/her registration, suspend his/her business for not more than six months, reprimand him/her, or take other necessary measures: Provided, That where he/she falls under subparagraphs 1 and 2, his/her registration shall be revoked: *<Amended by Act No. 15218, Dec. 19, 2017; Act No. 16093, Dec. 31, 2018>*

1. Where he/she falls under any of subparagraphs 1 through 7 of Article 175;

2. Where he/she deceases;

3. Where he/she violates this Act or the orders issued under this Act.

(5) The Commissioner of the Korea Customs Service may suspend or invalidate the relevant examination taken by any of the following persons and suspend his/her qualification for taking the examination for five years from the date of such disposition: *<Newly Inserted by Act No. 13548, Dec. 15, 2015; Act No. 15218, Dec. 19, 2017;>*

1. A person who has taken the examination by unjust means;

2. A person who has cheated on the examination.

(6) Duties of the bonded goods caretakers, examination for bonded goods caretakers, procedures for registration, and other necessary matters shall be prescribed by Presidential Decree. *<Amended by Act No. 12159, Jan. 1, 2014; Act No. 13548, Dec. 15, 2015; Act No. 15218, Dec. 19, 2017;>*

### **Article 165-2 (Prohibition of Lending Name, etc. of Bonded Goods Caretaker)**

No bonded goods caretaker shall permit other persons to perform bonded goods caretaker's business under his/her name and company name or lend his/her license or registration certificate.

### **Article 165-3 (Disciplinary Committee for Bonded Goods Caretakers)**

- (1) Where taking necessary measures on a bonded goods caretaker, such as revocation of his/her registration, in cases falling under Article 165 (4) 3, the head of a customs office shall take a disciplinary action in accordance with a resolution adopted by the disciplinary committee for bonded goods caretakers.
- (2) Matters necessary for the organization, operation, etc. of a disciplinary committee for bonded goods caretakers under paragraph (1) shall be prescribed by Presidential Decree.

### **Article 166 (Designation of Designated Bonded Areas)**

(1) The head of a customs office may designate any land, building or other facilities (hereafter in this Sub-section referred to as "land, etc.") owned or managed by any of the following persons as a designated bonded area:

1. The State;
2. Local governments;
3. Corporations in charge of administering airport facilities or harbor facilities.

(2) When the head of a customs office intends to designate the land, etc. not managed by himself/herself as a designated bonded area, he/she shall obtain the consent of the owner or the manager of such land, etc. In such cases, the head of the customs office may pay rent, etc. thereon to such owner or manager.

### **Article 167 (Revocation of Designation of Designated Bonded Areas)**

When the head of a customs office deems it unnecessary to keep a bonded area, in whole or in part, as a designated bonded area due to a decrease in the quantity of exported and imported goods passing through such designated bonded area or due to other reasons, he/she shall revoke its designation.

### **Article 168 (Disposition of Designated Bonded Areas)**

(1) When the owner or the manager of the land, etc, designated as a designated bonded area intends to perform any of the following acts, he/she shall consult in advance with the head of a customs office: Provided, That this shall not apply where such act causes no impediment to the utilization of the designated bonded area, or the owner of the land, etc. designated as a designated bonded area is the State or a local government:

1. The transfer, swap, lease, or other disposition of the relevant land, etc, or the alteration of the purpose thereof;
2. The construction work for the relevant land, etc. or the construction or installation of buildings and facilities on the relevant land, etc.;
3. The renovation, relocation or removal of the relevant buildings and facilities and other construction works.

(2) The head of a customs office shall not reject consultations referred to in paragraph (1) without any justifiable reasons.

### **Article 169 (Designated Storage Places)**

Any designated storage place that is a place to temporarily store goods for a customs clearance shall be located in a zone designated by the head of a customs office.

### **Article 170 (Storage Period)**

A period of storing goods in any designated storage place shall be determined by the Commissioner of the Korea Customs Service within six months: Provided, That the head of a customs office may extend such period within three months in accordance with the standards set by the Commissioner of the Korea Customs Service.

**Article 171 Deleted.** <by Act No. 7009, Dec. 30, 2003>

### **Article 172 (Responsibility for Keeping Goods in Custody)**

(1) The responsibility to keep goods shipped into a designated storage place in custody lies on the owner or the shipper of such goods.

(2) When the head of a customs office deems it necessary to maintain order in any designated storage place and manage goods in a safe manner, he/she may designate a cargo manager responsible for keeping goods in custody in lieu of the owner: Provided, That if such designated storage area is not a facility managed by the head of a customs office, the head of such customs office shall designate a cargo manager after consulting with the owner or the manager of such facility. <Amended by Act No. 11121, Dec. 31, 2011>

(3) Any cargo manager of a designated storage place may collect expenses (including fees for the use of customs office facilities referred to in Article 323) incurred in managing goods from any owner: Provided, That approval shall be obtained from the head of a customs office for their rates.

(4) Any cargo manager of a designated storage place shall pay an amount equivalent to the amount of fees paid for the use of customhouse facilities from expenses collected in accordance with paragraph (3) to the head of a customs office.

(5) When the head of a customs office is unable to designate a cargo manager due to unavoidable causes, he/she may directly manage goods in lieu of the owner of goods. In such cases, the expenses incurred in managing goods under paragraph (3) may be collected from such owner.

(6) Matters necessary for standards and procedure for designation, procedure for designation, effective period of designation, re-designation and revocation of designation of a cargo manager under paragraph (2) shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 11121, Dec. 31, 2011>

### **Article 173 (Customs Inspection Places)**

(1) A customs inspection place that is a place to inspect goods subject to customs clearance shall be designated by the head of a customs office.

(2) The head of a customs office may ship goods subject to customs inspection, in whole or in part, into a customs inspection place for the inspection, as prescribed by the Commissioner of the Korea Customs Service.

(3) Costs involved in the collection, transportation, etc. of goods shipped into a customs inspection place under paragraph (2) shall be borne by their owners.

#### **Article 174 (Licenses for Establishment and Operation of Licensed Bonded Areas)**

- (1) A person who intends to establish and operate a licensed bonded area shall obtain a license from the head of a customs office. This shall also apply where he/she intends to renew the existing license.
- (2) A person who intends to obtain a license for establishing and operating a licensed bonded area, a person who establishes and operates a licensed bonded area or any other person who intends to renew his/her license shall pay fees, as determined by Ordinance of the Ministry of Strategy and Finance.
- (3) Requirements for obtaining a license under paragraph (1) shall be determined by the Commissioner of the Korea Customs Service according to the kinds of bonded areas, following the standards prescribed by Presidential Decree.

#### **Article 175 (Disqualifications for Operators of Licensed Bonded Areas)**

Any of the following persons shall be disqualified for establishing and operating a licensed bonded area: Provided, That a person who falls under subparagraph 6 may establish and operate a licensed bonded area only in a bonded area for which an existing license is granted, excluding the relevant bonded area the license, for which has been revoked. <Amended by Act No. 12847, Dec. 23, 2014; Act No. 16093, Dec. 31, 2018>

1. A minor;
2. A person under adult guardianship and a person under limited guardianship;
3. A person who has not been reinstated after having been declared bankrupt;
4. A person who has been sentenced to imprisonment with labor for violating this Act and for whom two years have not elapsed from the date on which the execution of such sentence was terminated (including cases deemed that the execution has been terminated) or exempted;
5. A person who is under the suspension of the execution of imprisonment with labor for violating this Act;
6. A person for whom two years have not elapsed after his/her license for establishing and operating a licensed bonded area was revoked under Article 178 (2) (excluding where his/her license was revoked for falling under any of subparagraphs 1 through 3 of this Article);
7. A person who has been sentenced to a fine or subjected to a notice disposition under Articles 269 through 271, 274, 275-2 or 275-3 and for whom two years have not elapsed from the date on which he/she was sentenced to a fine or after he/she complied with the notice disposition: Provided, That an individual or a corporation punished pursuant to Article 279 shall be excluded herefrom;
8. A corporation that employs a person falling under subparagraphs 2 through 7 as an executive officer (limited to an executive officer in charge of business operation or supervising such business operation of the relevant bonded area).

#### **Article 176 (License Period)**

- (1) The license period for any licensed bonded area shall not exceed ten years.
- (2) Notwithstanding paragraph (1), the license period for any bonded exhibition place and any bonded construction work site shall be as follows: Provided, That if deemed inevitable for achieving the purposes of such bonded exhibition and accelerating the construction work, the head of a customs office may extend

such period:

1. Bonded exhibition places: A period fixed by the head of the customs office by taking into account the period of such exhibition;
2. Bonded construction work sites: A period fixed by the head of the customs office by taking into account the period of such construction work.

**Article 176-2 (Special Cases concerning Licensed Bonded Areas)**

(1) Where the head of a customs office grants a license to operate a bonded store that sells goods pursuant to Article 196 (1), he/she shall grant a license at a higher percentage than that prescribed by Presidential Decree to a person who meets the requirements for receiving a license under Article 174 (3) (hereafter referred to as "small or medium enterprise, etc." in this Article) from among small and medium enterprises under Article 2 of the Framework Act on Small and Medium Enterprises and middle-standing enterprises under subparagraph 1 of Article 2 of the Special Act on the Promotion of Growth and the Strengthening of Competitiveness of Middle-Standing Enterprises, which meet the standards prescribed by Presidential Decree for the sales amount, the total amount of assets, shares owned, investment relations, etc.; but shall not grant a license at a higher percentage than that prescribed by Presidential Decree to an enterprise belonging to an enterprise group subject to the limitations on mutual investment prescribed in Article 14 (1) of the Monopoly Regulation and Fair Trade Act: Provided, That in cases of a bonded store that sells goods pursuant to Article 196 (2), the head of a customs office may grant a license only to a small or medium enterprise, etc. <Amended by Act No. 12159, Jan. 1, 2014; Act No. 12307, Jan. 21, 2014; Act No. 16093, Dec. 31, 2018>

(2) Notwithstanding paragraph (1), paragraph (1) shall not apply to cases prescribed by Presidential Decree, such as where the existing license expires but an application for a new license under paragraph (3) is not filed.

(3) A license to operate a bonded store shall be granted after an application for such license filed by a person who meets the specified qualification requirements is examined according to evaluation criteria prescribed by Presidential Decree. The same shall also apply where the existing license expires (excluding where it is renewed under paragraph (6)). <Amended by Act No. 12847, Dec. 23, 2014>

(4) Notwithstanding Article 174 (2), a license fee of a bonded store may be fixed, different from a license fee of a bonded area of other types, as prescribed by Ordinance of the Ministry of Strategy and Finance.

(5) Notwithstanding Article 176 (1), the license period for a bonded store shall be within five years.

(6) A small or medium enterprise or a middle-standing enterprise which has obtained a license under paragraph (1) may be granted a renewal of the license only once (Provided That, in cases of a small or medium enterprise, etc., the renewal may be granted up to twice), as prescribed by Presidential Decree. <Newly Inserted by Act No. 12847, Dec. 23, 2014; Act No. 16093, Dec. 31, 2018>

(7) The Minister of Strategy and Finance shall report the sales of each bonded store within three months from the end of each fiscal year to the competent standing committee of the National Assembly, as prescribed by Presidential Decree. <Amended by Act No. 12847, Dec. 23, 2014>

(8) Other matters concerning the procedures for a license to operate a bonded store shall be prescribed by Presidential Decree.

#### **Article 176-3 (Committee for Deliberation on Licensing of Bonded Stores)**

(1) There shall be established a Committee for Deliberation on Licensing of Bonded Stores in the Korea Customs Service to deliberate on the following matters concerning the licensing of bonded stores under Article 176-2: *<Amended by Act No. 15218, Dec. 19, 2017; Act No. 16093, Dec. 31, 2018>*

1. Evaluation of the applicants for licenses to operate bonded stores and the selection of the qualified applicants under Article 176-2 (3);

1-2. Deliberation on renewal of licenses under Article 176-2 (6);

2. Other important matters concerning the operation of bonded stores.

(2) Matters necessary for the establishment, organization, operation methods, etc. of the Committee for Deliberation on Licensing of Bonded Stores under paragraph (1) shall be prescribed by Presidential Decree. *<Amended by Act No. 15218, Dec. 19, 2017>*

#### **Article 176-4 (Committee for Operation of Bonded Store System)**

(1) In order to deliberate on important matters of the bonded store system, such as the number of licenses for bonded stores under Article 176-2, there shall be established the Committee for Operation of Bonded Store System in the Ministry of Strategy and Finance.

(2) Matters necessary for the establishment, organization, operation, etc. of the Committee for Operation of Bonded Store System shall be prescribed by Presidential Decree.

#### **Article 177 (Storage Period)**

(1) A period for storing goods in any licensed bonded area shall be as follows:

1. Bonded warehouses: A period fixed under any of the following items:

(a) Foreign goods (excluding goods falling under item (c)): A period fixed by the Commissioner of the Korea Customs Service within the limit of one year: Provided, That if the Commissioner of the Korea Customs Service deems it necessary to extend such period, the period may be further extended within the limit of one year;

(b) Domestic goods (excluding goods falling under item (c)): A period fixed by the Commissioner of the Korea Customs Service within the limit of one year;

(c) Goods stockpiled by the Government, goods stockpiled for the defense industry to fulfill any contract with the Government, raw materials used to manufacture export goods and goods used to repair export goods, which are recognized by the head of a customs office, and the goods determined by the Commissioner of the Korea Customs Service for the promotion of international logistics: A period necessary for stockpiles thereof;

2. Other licensed bonded areas: A license period for the relevant licensed bonded area.

(2) When the head of a customs office deems it necessary to manage goods, he/she may order any operator to ship goods out of any licensed bonded area even within the period provided for in paragraph (1) 1.

## **Article 177-2 (Prohibition of Lending Names of Operators of Licensed Bonded Areas)**

No operator of a licensed bonded area shall allow any other person to operate the licensed bonded area using his/her name or trade name.

## **Article 178 (Suspension of Shipment of Goods into Licensed Bonded Area and Revocation of Licenses)**

(1) Where the operator of a licensed bonded area falls under any of the following subparagraphs, the head of a customs office may suspend the shipment of goods into such licensed bonded area, any bonded construction work, bonded sale, bonded exhibition, etc. (hereafter referred to in this Article, as "shipment, etc. of goods into a licensed bonded area") for up to six months, as determined by the Commissioner of the Korea Customs Service:

1. Where he/she is deemed financially incapable of paying customs duties on stored goods;
2. Where he/she or his/her employee violates this Act or any order issued under this Act;
3. Where it is deemed difficult to attain the objective of establishing such licensed bonded area due to the insufficiency of the relevant facilities, etc.

(2) Where the operator of a licensed bonded area falls under any of the following subparagraphs, the head of a customs office may revoke his/her license: Provided, That where the operator of a licensed bonded area falls under subparagraph 1, 2 or 5, the head of a customs office shall revoke his/her license: *<Amended by Act No. 11121, Dec. 31, 2011; Act No. 12847, Dec. 23, 2014; Act No. 14379, Dec. 20, 2016; Act No. 16093, Dec. 31, 2018>*

1. Where he/she has obtained a license by fraud or other improper means;
2. Where he/she falls under Article 175: Provided, That this shall not apply to cases falling under subparagraph 8 of Article 175, if a corporation which has a person falling under subparagraph 2 or 3 of the same Article as its executive officer replaces the relevant executive officer within three months;
3. Where he/she has been subject to a disposition to suspend the shipment of goods into his/her licensed bonded area on at least three occasions within one year;
4. Where the head of a customs office deems it impractical to achieve the objective of establishing his/her licensed bonded area because no goods have been shipped into his/her licensed bonded area for at least two years;
5. Where he/she lends his name, in violation of Article 177-2.

(3) Where a disposition taken to suspend the shipment, etc. of goods into a licensed bonded area pursuant to paragraph (1) causes serious inconveniences to its users or harms public interests, the head of a customs office may impose a penalty surcharge equivalent to 3/100 or less of sales accruing from the operation of the licensed bonded area in lieu of a disposition taken to suspend the shipment, etc. of goods into the licensed bonded area. In such cases, necessary matters concerning the computation of sales, the amount of penalty surcharges, the time limit for the payment of penalty surcharges, etc. shall be prescribed by Presidential Decree.

(4) Article 26 shall apply mutatis mutandis to the collection of a penalty surcharge where a person liable to pay the penalty surcharge referred to in paragraph (3) fails to pay it by the payment deadline.

### **Article 179 (Invalidation of and Succession to Licenses)**

(1) A license for establishing and operating a licensed bonded area shall become void in any of the following subparagraphs:

1. Where the operator ceases to operate his/her licensed bonded area;
2. Where the operator is dissolved or deceases;
3. Where the license term expires;
4. Where the license is revoked.

(2) In cases falling under paragraph (1) 1 and 2, the operator, his/her successor, a corporation for the liquidation, or a corporation surviving a merger, a division, a merger after division or is incorporated after a merger, a division or a merger after division (hereinafter referred to as "succeeding corporation") shall promptly report the fact to the head of a customs office.

(3) If a person who has obtained a license for establishing and operating a licensed bonded area deceases or is dissolved, and his/her successor or the succeeding corporation intends to continue operating such licensed bonded area, such successor and such succeeding corporation shall file a report with the head of a customs office after meeting the requirements prescribed in Article 174 (3), as prescribed by Presidential Decree, within 30 days from the date on which the succeeded or the succeeded corporation deceases or is dissolved.

(4) If the successor or the succeeding corporation files a report referred to in paragraph (3), the license of the succeeded or the succeeded corporation for establishing and operating the licensed bonded area shall be deemed the license of the successor or the succeeding corporation for a period from the date on which the succeeded or the succeeded corporation deceases or is dissolved to the date on which the successor or the succeeding corporation files the report.

(5) No person falling under each subparagraph of Article 175 may file a report under paragraph (3).

### **Article 180 (Supervision, etc. over Establishment and Operation of Licensed Bonded Areas)**

(1) The head of a customs office shall supervise the operator of any licensed bonded area.

(2) The head of a customs office may order the operator of any licensed bonded area to brief on the establishment and operation of such licensed bonded area or have his/her customs officers inspect the current operation of such licensed bonded area.

(3) The head of a customs office may order the installation of facilities, machinery and appliances necessary for operating any licensed bonded area.

(4) Where goods shipped into a licensed bonded area under Article 157 are not in conformity with the purpose of establishing such licensed bonded area, the head of a customs office may order such goods shipped into another licensed bonded area.

**Article 181 Deleted.** <by Act No. 9910, Jan. 1, 2010>

### **Article 182 (Measures, etc. upon Invalidation of Licenses)**

(1) Where a license for establishing and operating a licensed bonded area is invalidated, the operator or the successor shall promptly ship foreign goods stored in the relevant licensed bonded area to another bonded



area.

(2) Where a license for establishing and operating a licensed bonded area is invalidated, the relevant licensed bonded area shall be deemed a licensed bonded area for a period fixed by the head of a customs office within the limit of six months by taking into account the kinds, quantity, etc. of foreign goods stored therein, and the operator or the successor shall be deemed to hold a license for establishing and operating a licensed bonded area with respect to the relevant area and goods stored therein.

#### **Article 183 (Bonded Warehouses)**

(1) Foreign goods and goods subject to a customs clearance shall be stored in a bonded warehouse.

(2) The operator of a bonded warehouse may store domestic goods in his/her bonded warehouse within the scope of not impeding the storage of goods referred to in paragraph (1) after filing a report thereon with the head of a customs office in advance: Provided, That goods on which an import declaration is accepted shall be stored in the same bonded warehouse without filing any report thereon.

(3) When the operator intends to store only domestic goods described in paragraph (2) in a bonded warehouse for not less than one year (for six months for the goods described in the proviso to paragraph (2)), he/she shall obtain approval therefor from the head of a customs office.

(4) Articles 161 and 177 shall not apply to a period for which only approved domestic goods are stored in a bonded warehouse pursuant to paragraph (3).

#### **Article 184 (Expiration of Storage Period for Domestic Goods)**

(1) Domestic goods referred to in Article 183 (2), whose storage period expires shall be shipped out of a bonded warehouse under the responsibility of its operator within ten days from the date on which such storage period expires.

(2) Paragraph (1) shall apply to domestic goods approved pursuant to Article 183 (3) if their storage period expires.

#### **Article 185 (Bonded Factories)**

(1) In any bonded factory, manufacturing, processing or similar work thereto may be performed using foreign goods as raw materials or materials, or using foreign goods and domestic goods as raw materials or materials.

(2) No manufacturing, processing and similar work thereto may be performed using only domestic goods as raw materials or materials in any bonded factory without obtaining approval therefor from the head of a customs office.

(3) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under paragraph (2) is received. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(4) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (3), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes

related to the processing of civil petitions, referring to the relevant processing period) ends. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(5) The business types of bonded factories in which imported goods are manufactured and processed, from among bonded factories, may be limited, as determined by Ordinance of the Ministry of Strategy and Finance. <Amended by Act No. 16093, Dec. 31, 2018>

(6) The head of a customs office may permit an import declaration on goods to be used in a bonded factory after undergoing customs clearance to be filed after the goods are shipped into the bonded factory. In such cases, Article 241 (3) shall apply mutatis mutandis thereto. <Amended by Act No. 16093, Dec. 31, 2018>

#### **Article 186 (Report on Use, etc.)**

(1) An operator shall file a report on the use of goods shipped into his/her bonded factory with the head of a customs office before the goods are used. In such cases, a customs officer may inspect such goods.

(2) When foreign goods, the use of which shall be reported under paragraph (1) are determined and publicly notified by the Commissioner of the Korea Customs Service as those that need to meet the requirements for permission, approval, labels and other requirements pursuant to any other Act and subordinate statutes, such as narcotics and firearms, the fulfillment of such requirements shall be verified to the head of a customs office. <Amended by Act No. 14379, Dec. 20, 2016>

#### **Article 187 (Permission for Work to be Conducted Outside Bonded Factories)**

(1) When it is deemed necessary to develop processing trade or the domestic industry, the head of a customs office may permit the work referred to in Article 185 (1) to be conducted outside the relevant bonded factory by determining a period, a place, goods, etc. as prescribed by Presidential Decree. <Amended by Act No. 10424, Dec. 30, 2010>

(2) The head of a customs office shall notify the applicant as to whether he/she grants permission, within 10 days from the date on which an application for permission under paragraph (1) is received. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(3) If no notification is given by the head of a customs office to an applicant as to whether he/she grants permission or on the extension of the processing period under statutes related to the processing of civil petitions within the period provided for in paragraph (2), permission shall be deemed granted on the day following the day such period (where the processing period is extended or re-extended pursuant to statutes related to the processing of civil petitions, referring to the relevant processing period) ends. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

(4) Where permission referred to in paragraph (1) is granted, a customs officer may inspect the relevant goods when they are shipped out of the bonded factory. <Amended by Act No. 10424, Dec. 30, 2010; Act No. 16093, Dec. 31, 2018>

(5) Foreign goods shipped into a designated place (hereinafter referred to as "workplace, other than a bonded factory") with permission granted under paragraph (1) shall be deemed to exist in a bonded factory until a designated period expires. <Amended by Act No. 10424, Dec. 30, 2010; Act No. 16093, Dec. 31, 2018>

(6) The head of a customs office may permit the shipment of goods to be used for the bonded work whose permission is granted under paragraph (1) directly to a workplace, other than a bonded factory, as prescribed by the Commissioner of the Korea Customs Service. <Amended by Act No. 10424, Dec. 30, 2010; Act No. 16093, Dec. 31, 2018>

(7) Where foreign goods or other goods manufactured using such foreign goods remain at the workplace, other than a bonded factory after the designated period provided for in paragraph (1) expires, customs duties on such goods shall be promptly collected from the operator of the relevant bonded factory who has been granted with permission for the relevant goods. <Amended by Act No. 10424, Dec. 30, 2010; Act No. 16093, Dec. 31, 2018>

#### **Article 188 (Assessment of Customs Duties on Manufactured Goods)**

Where the work is done using foreign goods or using foreign goods and domestic goods as raw materials or materials, any goods therefrom shall be deemed goods which arrive in Korea from a foreign country: Provided, That if both foreign goods and domestic goods are used as raw materials or materials to manufacture new goods upon approval of the head of a customs office, as prescribed by Presidential Decree, any goods corresponding to the quantity and price of the foreign goods from among the goods therefrom shall be deemed goods which arrive in Korea from a foreign country.

#### **Article 189 (Assessment of Customs Duties on Raw Materials)**

(1) When any goods manufactured in a bonded factory are imported and an application for taxation on the foreign goods, which are raw materials of the relevant goods, has been filed with the head of a customs office in advance before a use report pursuant to Article 186 is filed, customs duties shall be assessed in accordance with the nature and quantity of the raw materials at the time the use report is filed pursuant to Article 186, notwithstanding Article 16.

(2) The head of a customs office may permit the bonded factory satisfying the standards prescribed by Presidential Decree to file an application by raw material or goods, or for the entire bonded factory pursuant to paragraph (1) within the extent of one year.

#### **Article 190 (Bonded Exhibition Sites)**

Foreign goods may be stored, displayed and used in any bonded exhibition site for an exposition, a fair, a sample exhibition, etc.

#### **Article 191 (Bonded Construction Work Sites)**

In a bonded construction work site, any construction work may be carried out storing or using machinery devices or construction equipment which are foreign goods used for the installation of industrial facilities.

#### **Article 192 (Import Declaration Prior to Use)**

When any operator ships foreign goods into a bonded construction work site, he/she shall file an import declaration thereon before such foreign goods are used and undergo an inspection conducted by customs officers: Provided, That if a customs officer deems it unnecessary to inspect such goods, the inspection may be omitted.

### **Article 193 (Restriction on Storage of Foreign Goods Shipped into Bonded Construction Work Sites)**

Where deemed necessary with respect to foreign goods shipped into a bonded construction work site, the head of a customs office may restrict a place where such foreign goods are stored in the bonded construction work site or require the operator to report the actual use of such foreign goods.

### **Article 194 (Restriction on Operation of Facilities Installed in Bonded Construction Sites)**

Any operator shall be prohibited from operating facilities installed in a bonded construction work site before an import declaration thereon filed under Article 248 is accepted.

### **Article 195 (Work Permission Outside Bonded Construction Work Sites)**

(1) When the head of a customs office deems it necessary to conduct the bonded work, he/she may permit the implementation of any bonded work outside a bonded construction work site by determining a period, a place, goods, etc., as prescribed by Presidential Decree.

(2) Article 187 (2) through (7) shall apply mutatis mutandis to permission for any bonded work outside a bonded construction work site under paragraph (1). *<Amended by Act No. 16093, Dec. 31, 2018>*

### **Article 196 (Bonded Stores)**

(1) Goods may be sold in any bonded store under the condition that goods sold therein are shipped overseas or used by a person eligible for duty exemption under Article 88 (1) 1 through 4. *<Amended by Act No. 16093, Dec. 31, 2018>*

(2) Notwithstanding paragraph (1), bonded stores established on the entry route of the airports, ports, etc. may sell goods to persons entering Korea from abroad. *<Amended by Act No. 16093, Dec. 31, 2018>*

(3) Matters necessary for the shipment of goods into or out of any bonded store, delivery and management of such goods that are sold in any bonded store shall be prescribed by Presidential Decree.

(4) The head of a customs office may limit the quantity, place of storage, etc. of goods that are permitted to be sold in any bonded store: Provided, That the types and scales of goods permitted to be sold in such bonded store shall be prescribed by Ordinance of the Ministry of Strategy and Finance. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

### **Article 197 (Designation, etc. of General Bonded Areas)**

(1) The head of a customs office may, ex officio or upon a request from the head of a relevant central administrative agency, the head of a relevant local government, or other persons who intend to operate a general bonded area (hereinafter referred to as "applicant for designation"), designate a certain area as a general bonded area by taking into account the expected extent of its contribution to the promotion of trade, the quantity of foreign goods shipped into and out of such general bonded area, etc.

(2) In any general bonded area, not less than two functions, from among those as a bonded warehouse, bonded factory, bonded exhibition, bonded construction work site or bonded store, may be performed (hereinafter referred to as "general bonded function").

(3) Necessary matters concerning requirements, procedures, etc. for designating any general bonded area shall be prescribed by Presidential Decree.

#### **Article 198 (Filing Reports on Establishment and Operation of Place for General Bonded Business)**

(1) A person who intends to perform the general bonded functions in a general bonded area shall specify such function and file a report on the establishment and operation of a place of general bonded business with the head of a customs office.

(2) No person falling under any subparagraph of Article 175 may file any report on the establishment and operation of a place of general bonded business referred to in paragraph (1).

(3) When the operator of a place of general bonded business intends to modify the general bonded functions he/she performs, he/she shall file a report thereon with the head of a customs office.

(4) Matters necessary for the procedures, etc. for filing a report referred to in paragraphs (1) and (3) shall be prescribed by Presidential Decree.

#### **Article 199 (Shipment, etc. of Goods into and out of General Bonded Areas)**

(1) A person who intends to ship goods into and out of any general bonded area shall file a report thereon with the head of a customs office, as prescribed by Presidential Decree.

(2) Where goods shipped into or out of any general bonded area are domestic goods, reporting referred to in paragraph (1) may be omitted or such goods may be shipped into or out of such general bonded area in a simplified manner, as determined by Ordinance of the Ministry of Strategy and Finance.

#### **Article 199-2 (Refund of Customs Duties etc. on Goods Sold in General Bonded Areas)**

(1) Where persons prescribed by Presidential Decree, such as foreign tourists, etc. take the goods purchased in a general bonded area out of Korea, the customs duties, internal taxes, etc. paid when they purchased the relevant goods may be refunded.

(2) Matters necessary for the procedures, methods, etc. for the refund of customs duties, internal taxes, etc. referred to in paragraph (1) shall be prescribed by Presidential Decree.

#### **Article 200 (Scope, etc. of Goods Shipped into and out of General Bonded Areas)**

(1) Goods determined by Ordinance of the Ministry of Strategy and Finance used or consumed in a general bonded area shall be used or consumed therein after undergoing an import clearance.

(2) No limit shall be placed on the storage period of goods shipped into any general bonded area: Provided, That the storage period of goods shipped into the place by the Commissioner of the Korea Customs Service as it is deemed necessary for the efficient distribution of exported and imported goods from among the places that function as a bonded warehouse pursuant to Article 197 (2), shall be the period determined by the Commissioner of the Korea Customs Service within the limit of one year.

(3) When goods shipped into or out of a general bonded area are deemed an impediment to the national security, the public order, the public health, environmental conservation, etc., or such goods are deemed not in conformity with the purpose of designating such general bonded area, the head of a customs office may limit the shipment of the relevant goods into and out of such general bonded area.

#### **Article 201 (Management of Goods by Operators)**

(1) An operator shall manage goods shipped into his/her general bonded area by classifying such goods according to general bonded functions.

(2) The head of a customs office may sell goods falling under the proviso to Article 208 (1), from among goods stored in any general bonded area, in accordance with the same Article.

(3) When an operator relocates, uses or disposes of goods shipped into his/her general bonded area, he/she shall keep records thereon using books or data-processing equipment. In such cases, goods determined by Ordinance of the Ministry of Strategy and Finance shall be reported to the head of a customs office in advance.

(4) Matters necessary for the methods, procedures, etc. for keeping records pursuant to paragraph (3) shall be determined by the Commissioner of the Korea Customs Service.

(5) Where foreign goods for which the period set by the Commissioner of the Korea Customs Service within the range of at least six months from the date of the goods shipped into a general bonded area among goods stored in a general bonded area, fall under any of the following subparagraphs, the operator may request the head of the competent customs office to sell such foreign goods as determined and published by the Commissioner of the Korea Customs Service: <Newly Inserted by Act No. 16093, Dec. 31, 2018>

1. Where the owner of the goods is not clearly identified;
2. Where the owner of the goods becomes bankrupt or insolvent;
3. Where the whereabouts of the owner of the goods, such as his/her address or residence, is unknown;
4. Where the owner of the goods refuses to receive the goods;
5. Where the owner of the goods does not receive the goods without manifesting an intention to refuse.

(6) Articles 208 through 212 shall apply mutatis mutandis to the sale of foreign goods by the head of a customs office under paragraph (5). In such cases, "where a period for storing foreign goods shipped into a bonded area expires" in the main sentence of Article 208 (1) shall be construed as "if a request for sale is received", and "goods the storage period of which expires" in paragraph (2) of the same Article and "goods, the storage period of which has expired" in Article 209 (1) shall be construed as "goods requested to sell", respectively. <Newly Inserted by Act No. 16093, Dec. 31, 2018>

#### **Article 202 (Duties, etc. to Maintain Facilities)**

(1) An operator shall maintain facilities, equipment, etc. necessary to perform the general bonded functions, as prescribed by Presidential Decree.

(2) A person who intends to perform the maintenance and supplementary work for goods stored in a general bonded area or to perform any bonded work outside such general bonded area shall file a report thereon with the head of a customs office, as prescribed by Presidential Decree.

(3) Article 187 shall apply mutatis mutandis to the inspection, etc. of goods shipped out of a general bonded area, where the work is carried out pursuant to paragraph (2).

#### **Article 203 (Management, etc. of General Bonded Areas by Customs Office)**

(1) The head of a customs office may control personnel, vehicles, etc. entering and departing from any general bonded area or inspect goods transported or carried into and out of such general bonded area in order to efficiently operate such general bonded area, including the security of duty claims, supervision

and control of such general bonded area.

(2) The head of a customs office may check or inspect books and records compiled using the data-processing equipment under Article 201 (3) or require the operator to report necessary matters, including business records, etc. in order to verify goods shipped into or out of any general bonded area and their use, disposal, etc.

(3) When the Commissioner of the Korea Customs Service deems it necessary to monitor and control foreign goods in a general bonded area, he/she may request the applicant for designation of such general bonded area to install facilities utilized to prevent illegal shipment, losses, theft, etc. of bonded goods out of such general bonded area in such general bonded area. In such cases, the applicant for designation shall comply therewith unless extenuating circumstances exist to the contrary.

#### **Article 204 (Revocation, etc. of Designation of General Bonded Areas)**

(1) When the Commissioner of the Korea Customs Service deems it unnecessary to keep a general bonded area due to decreases in the quantity of goods shipped into or out of such general bonded area and other grounds prescribed by Presidential Decree, he/she may revoke the designation thereof.

(2) Where the operator of a place of general bonded business falls under any of the following subparagraphs, the head of a customs office may suspend him/her from performing his/her general bonded functions within the extent of six months: *<Amended by Act No. 16093, Dec. 31, 2018>*

1. Where he/she violates the duties to maintain facilities prescribed in Article 202 (1);
2. Where there is a decrease in the quantity of goods shipped into or out of a general bonded area in connection with the general bonded functions performed by the operator;
3. Where there is no record of foreign goods shipped into or out of the general bonded area continuously for one year.

(3) Where the operator of a place of general bonded business falls under any of the following subparagraphs, the head of a customs office shall order to shut down the place of general bonded business: *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

1. Where a report on the establishment and operation of a place of general bonded business is filed by fraud or other improper means;
2. Where such operator falls under any subparagraph of Article 175: Provided, That this shall not apply to cases falling under subparagraph 8 of Article 175, if a corporation which has a person falling under subparagraph 2 or 3 of the same Article as its executive officer replaces the relevant executive officer within three months;
3. Where such operator permits any other person to operate the place of general bonded business using such operator's name or trade name.

#### **Article 205 (Provisions to be Applied Mutatis Mutandis)**

The provisions of Articles 175, 177 (2), 177-2, 178 (1) and (3), 180 (1), (3) and (4), 182, 184, 185 (2) through (6), 186, 188, 189, 192 through 194, and 241 (2) shall apply mutatis mutandis to any general bonded area. *<Amended by Act No. 16093, Dec. 31, 2018>*

### **Article 206 (Custody and Deposit)**

(1) The head of a customs office may keep in custody any of the following goods which do not satisfy requirements for permission, approval, labels and other conditions provided for in Article 226:

1. Traveler's personal effects;
2. Personal effects of crew of the means of transportation navigating between Korea and foreign countries.

(2) With respect to goods kept in custody in accordance with paragraph (1), such custody shall be rescinded only when the cause thereof is eliminated or such goods are returned.

(3) Among goods falling under any subparagraph of paragraph (1), if a person has no intention to import such goods, he/she may temporarily deposit them by filing a report thereon with the head of a customs office.

### **Article 207 (Goods in Custody and on Deposit)**

(1) Any goods kept in custody or on deposit under Article 206 shall be stored in a place managed by the head of a customs office: Provided, That this shall not apply where the head of the customs office deems it necessary to do so.

(2) Articles 160 (4) through (6), 170, 208 through 212 shall apply mutatis mutandis to goods kept in custody or on deposit in accordance with Article 206.

(3) When the head of a customs office deems it necessary to ensure smooth customs clearance for goods kept in custody or on deposit, notwithstanding Article 209 applied mutatis mutandis in accordance with paragraph (2), he/she may notify the effect that goods kept in custody or on deposit shall be sold unless they are either exported, imported or returned within the custody and deposit period, as determined by the Commissioner of the Korea Customs Service.

### **Article 208 (Goods to be Sold and Procedures for Sale)**

(1) Where a period for storing foreign goods shipped into a bonded area expires, the head of a customs office may sell the relevant goods after publishing such fact: Provided, That any of the following goods may be sold even before the expiration of their storage period after publishing their sale:

1. Live animals and plants;
2. Goods decomposed or feared to be decomposed;
3. Goods feared to damage any warehouse or foreign goods;
4. Goods not available or feared to suffer a sharp diminution in their commercial value, if a specified period expires;
5. Goods requested to be sold by the owner thereof, among those determined by the Commissioner of the Korea Customs Service.

(2) Where goods the storage period of which expires fall under paragraph (1), and it is too urgent to give public notice of a sale, such notice may be given after their sale.

(3) The pledgee or lien holder of goods sold shall transfer the relevant goods to a purchaser, notwithstanding other statutes.



(4) In any of the following subparagraphs, the head of a customs office may outsource the sales of the goods referred to in paragraph (1) to an institution prescribed by Presidential Decree (hereafter referred to in this Section, as "sales agent"):

1. Where it is intended to sell goods through an electronic document in a cyber-mall (referring to an online store in which goods are traded via computers or information and communications facilities) to expedite the sales of such goods;
2. Where expert knowledge is required for the sales of goods;
3. Where it is deemed inappropriate for any customs office to sell the goods directly due to extenuating circumstances.

(5) Where the sales of goods are outsourced to a sales agent pursuant to paragraph (4) (including where dealing with the balance of proceeds from sale under Article 211 (6) is outsourced to a sales agent), the head of the sales agent shall be deemed as the head of the customs office.

(6) Where the sales of goods are outsourced to a sales agent, the head of a customs office shall pay outsourcing fees, etc. to the sales agent, taking into account expenses incurred in selling such goods, as determined by Ordinance of the Ministry of Strategy and Finance.

(7) Deleted. <by Act No. 14379, Dec. 20, 2016>

(8) Matters necessary for the sales of goods outsourced to a sales agent under paragraph (4), shall be prescribed by Presidential Decree.

#### **Article 209 (Notices)**

(1) When the head of a customs office intends to sell goods, the storage period of which has expired under Article 208 (1), he/she shall serve a notice on the owner of such goods, etc. that he/she is required to export, import or return the relevant goods within one month from the date of such notice.

(2) Where it is impossible to serve a notice on the owner of goods, etc. under paragraph (1) because of the failure to identify the owner, etc. or his/her whereabouts, such notice may be published instead.

#### **Article 210 (Methods of Sales)**

(1) The sales of goods under Article 208 shall be effected according to general competitive bidding, designated competitive bidding, negotiated contract, auction or outsourcing.

(2) Where goods are not sold through competitive bidding, such goods may be placed on such competitive bidding again after the lapse of at least five days, and the estimated sale price thereof may be lowered by up to 10/100 of the initial estimated sale price in each consecutive bidding. In such cases, if a bidder intends to buy the goods at a price higher than the estimated sale price to be lowered, such goods may be sold to him/her through a negotiated contract at that price. <Amended by Act No. 14379, Dec. 20, 2016>

(3) In any of the following subparagraphs, goods may be sold through an auction or a negotiated contract: <Amended by Act No. 14379, Dec. 20, 2016>

1. Where goods are not sold after they are placed on at least two consecutive competitive bidding in accordance with paragraph (2);

2. Where goods cannot be sold through competitive bidding, in consideration of the nature, form, purpose of use, etc. of such goods.
- (4) Goods not sold under paragraph (3) and other goods prescribed by Presidential Decree, may be sold through outsourcing.
- (5) The customs value of the goods sold under paragraphs (1) through (4) shall be computed based on the initial estimated sale price referred to in paragraph (2), notwithstanding Articles 30 through 35.
- (6) Matters concerning the method of calculating the estimated sale price of goods and outsourcing such sales, shall be prescribed by Presidential Decree, and the National Tax Collection Act shall apply mutatis mutandis to auction procedures.
- (7) Where the head of a customs office intends to sell goods in accordance with paragraph (1), he/she shall publish the types, quantity, estimated sale price, etc. of such goods ten days before the sale takes place.

#### **Article 211 (Disposition of Balance)**

- (1) If there exists any balance after proceeds from the sale of goods in accordance with Article 210 are appropriated to expenses incurred in such sale, customs duties and other taxes in such order, the head of a customs office shall pay such balance to the owner of such goods.
- (2) The pledgee or lien holder of the goods sold in accordance with Article 208 shall present a document attesting his/her right to the head of a customs office within one month from the date of sale.
- (3) If there exists any pledgee or lien holder of the goods sold in accordance with Article 208, the head of a customs office shall pay an amount equivalent to the claim secured by the pledge or lien to such pledgee or lien holder before he/she pays any balance to the owner of the goods.
- (4) Where any balance of proceeds from the public sale of goods is paid to a pledgee or a lien holder, and such balance falls short of the amount of a claim secured by a pledge or a lien and at least two claimants exist, the head of a customs office shall pay such balance according to the order and amount of payment he/she sets in accordance with the Civil Act and other statutes.
- (5) The payment of any balance under paragraph (1) may be temporally deferred, as determined by the Commissioner of the Korea Customs Service.
- (6) Where a sale agent sells goods on behalf of a customs office in accordance with Article 208 (4), the sale agent may act for the customs office in handling any balance of proceeds from the sale under paragraphs (1) through (5).

#### **Article 212 (Reversion of Goods to National Treasury)**

- (1) The head of a customs office shall serve a notice on the owner, etc. of any goods not sold under Article 210 that such goods shall be immediately shipped out of a place where they are stored.
- (2) Where the relevant goods are not shipped out of such place within one month from the date of notice referred to in paragraph (1), the ownership of such goods shall be deemed renounced and the goods in question shall revert to the National Treasury.

#### **Article 213 (Filing Declarations on Bonded Transportation)**

(1) Foreign goods may be transported, as they are, only between the following places: Provided, That goods on which an import declaration is accepted under Article 248 may be transported from a place where the relevant goods are stored to any of the following places:

1. Open ports;
2. Bonded areas;
3. Places permitted under Article 156;
4. Customs authorities;
5. Customs clearance stations;
6. Customs clearance areas;
7. Clearance post offices.

(2) A person who intends to run the bonded transportation referred to in paragraph (1) shall file a declaration thereon with the head of a customs office, as determined by the Commissioner of the Korea Customs Service: Provided, That if deemed necessary for monitoring goods and such necessity is prescribed by Presidential Decree, he/she shall obtain approval therefor from the head of a customs office.

(3) When a customs officer deems it necessary to monitor and control, he/she may inspect goods intended for the bonded transportation, as determined by the Commissioner of the Korea Customs Service.

(4) With respect to goods on which an export declaration is accepted, procedures for their bonded transportation shall be omitted except as otherwise provided for by the Commissioner of the Korea Customs Service.

(5) Articles 247 and 250 shall apply mutatis mutandis to any report, approval and inspection of the bonded transportation under paragraphs (2) and (3).

#### **Article 214 (Declarant of Bonded Transportation)**

A report or an application for approval pursuant to Article 213 (2) shall be filed in the name of any of the following persons:

1. The owner of goods;
2. A licensed customs broker, etc.;
3. A person who runs the bonded transportation business (hereinafter referred to as "bonded transportation business entity").

#### **Article 215 (Declarations on Bonded Transportation)**

A person who has filed a declaration or obtained approval for his/her bonded transportation pursuant to Article 213 (2) shall file a report thereon with the head of a customs office having jurisdiction over a destination, as determined by the Commissioner of the Korea Customs Service when the relevant goods arrive at their destination.

#### **Article 216 (Bonded Transportation Route)**

(1) When the head of a customs office deems it necessary to monitor and control goods in the bonded transportation, he/she may restrict transportation routes, as determined by the Commissioner of the Korea Customs Service.

(2) Any bonded transportation shall be completed within a period fixed by the Commissioner of the Korea Customs Service: Provided, That when deemed necessary to extend such period due to a disaster or other unavoidable causes, the head of a customs office may extend the period.

#### **Article 217 (Collection of Customs Duties Upon Expiration of Period for Bonded Transportation)**

Where the bonded transportation of foreign goods on which a declaration is filed or for which approval is obtained under Article 213 (2) fails to arrive in a destination within a fixed period, customs duties thereon shall be collected without delay: Provided, That this shall not apply where the relevant goods are lost due to a disaster or other unavoidable causes, or disposed of upon prior approval from the head of a customs office.

#### **Article 218 (Security on Bonded Transportation)**

The head of a customs office may request the provision of security against customs duties on the goods whose a declaration on or approval for the bonded transportation under Article 213 is filed or obtained.

#### **Article 219 (Transportation of Goods in Wrecked Vessel or Aircraft)**

(1) Any foreign goods unloaded from a vessel or an aircraft due to a calamity or other unavoidable causes may be transported from a place where such foreign goods are temporarily stored to the place referred to in each subparagraph of Article 213 (1).

(2) A person who intends to transport foreign goods under paragraph (1) shall obtain approval required under Article 213 (2): Provided, That in cases of emergency, a report thereon shall be filed with a customs officer or a national police officer (limited to cases where no customs officer is accessible).

(3) Any national police officer in receipt of a report filed in accordance with the proviso to paragraph (2) shall notify a customs officer of a summary of such report.

(4) Articles 215 through 218 shall apply mutatis mutandis to the transportation pursuant to paragraph (1).

#### **Article 220 (Simplified Bonded Transportation)**

The head of a customs office may take any of the following measures by designating a bonded transportation business entity or goods, as determined by the Commissioner of the Korea Customs Service, in consideration of the nature and form of goods subject to the bonded transportation and the credit rating, etc. of a bonded transportation business entity:

1. The simplification of procedures for filing any report under Article 213 (2);
2. The omission of inspections under Article 213 (3);
3. The exemption from providing security under Article 218.

#### **Article 221 (Filing Reports on Domestic Transportation)**

(1) Where a person who intends to transport domestic goods by a foreign trade vessel or foreign trade aircraft, he/she shall file a report on domestic transportation with the head of a customs office, as prescribed by Presidential Decree.

(2) Articles 215, 216, 246, 247 and 250 shall apply mutatis mutandis to domestic transportation referred to in paragraph (1).

## **Article 222 (Registration and Report of Bonded Transportation Business Entities, etc.)**

(1) Each of the following entities (hereinafter referred to as "bonded transportation business entity, etc.") shall be registered with the Commissioner of the Korea Customs Service or the head of a customs office, as prescribed by Presidential Decree: *<Amended by Act No. 10897, Jul. 25, 2011>*

1. A bonded transportation business entity;
2. An entity that intends to handle bonded goods and that runs the business of brokering cargo transportation in accordance with other statues (hereinafter referred to as "cargo transportation broker");
3. An entity that runs the business of loading or unloading goods onto or from foreign trade vessels, foreign trade aircraft, or border-crossing vehicles;
4. An entity that runs the business of providing foreign trade vessels, foreign trade aircraft, or border-crossing vehicles with any of the following goods, etc.:
  - (a) Vessel supplies;
  - (b) Aircraft supplies;
  - (c) Vehicle supplies;
  - (d) Goods to be sold inside ships, airplanes, or railroad vehicles;
  - (e) Services;
5. An entity that runs the business of providing goods or services in any bonded area located inside any open port;
6. An entity that runs the business of delivering commercial documents and other samples using foreign trade vessels, foreign trade aircraft, or border-crossing vehicles.

(2) Necessary matters concerning standards, procedures, etc. for the registration under paragraph (1) shall be prescribed by Presidential Decree.

(3) If deemed necessary to verify the compliance with this Act, the Commissioner of the Korea Customs Service or the head of a customs office may require any bonded transportation business entities, etc. to file reports on their business, including the business performance and changes in registered matters, or to present books of account and other documents. In such cases, matters necessary to file reports on business or to present documents shall be determined by the Commissioner of the Korea Customs Service.

*<Amended by Act No. 16093, Dec. 31, 2018>*

(4) The Commissioner of the Korea Customs Service or the head of a customs office may require cargo transportation brokers to file reports on their business pursuant to Article 225 (2). *<Newly Inserted by Act No. 10897, Jul. 25, 2011>*

(5) The term of validity of the registration prescribed in paragraph (1) shall be three years; it may be renewed as prescribed by Presidential Decree: Provided, That where an entity that has shown excellent results in the measure and evaluation of the degree of compliance with the standards for the safety and security management program conducted under Article 255-2 (7) renews registration, the Commissioner of the Korea Customs Service or the head of a customs office may determine the term of validity by extending it within the limit of two years. *<Newly Inserted by Act No. 12159, Jan. 1, 2014; Act No. 13548, Dec.*

15, 2015>

**Article 223 (Requirements for Registration of Bonded Transportation Business Entities, etc.)**

Each bonded transportation business entity, etc. shall meet the following requirements: <Amended by Act No. 12847, Dec. 23, 2014>

1. It shall not fall under any subparagraph of Article 175;
2. It shall obtain a license, permission, designation, etc. or shall file for registration in accordance with the Harbor Transport Business Act and other relevant statutes;
3. It shall not have any customs duties and any national tax in arrears;
4. Two years have elapsed since its registration as a bonded transportation business entity was revoked (excluding cases of revocation by falling under any of subparagraphs 1 through 3 of Article 175).

**Article 223-2 (Prohibition of Lending Name, etc. of Bonded Transportation Business Entity)**

No bonded transportation business entity shall permit the third party to conduct its business under its name or trade name, or lend its license or registration certificate to the third party.

**Article 224 (Administrative Sanctions against Bonded Transportation Business Entities, etc.)**

(1) Where a bonded transportation business entity, etc. falls under any of the following subparagraphs, the head of a customs office may revoke its registration, suspend its business for up to six months or take other necessary measures: Provided, That in cases falling under subparagraphs 1 and 2, the registration thereof shall be revoked: <Amended by Act No. 11121, Dec. 31, 2011; Act No. 11602, Jan. 1, 2013; Act No. 12159, Jan. 1, 2014; Act No. 16093, Dec. 31, 2018>

1. Where it has been registered by fraud or other improper means;
  2. Where it falls under any subparagraph of Article 175: Provided, That this shall not apply to cases falling under subparagraph 8 of Article 175, where a corporation which has a person falling under subparagraph 2 or 3 of the same Article as its executive officer replaces the relevant executive officer within three months;
  3. Where its license, permission, designation, registration, etc. is revoked or a disposition is taken to suspend its business in accordance with the Harbor Transport Business Act and other relevant Acts;
  4. Where it (including any of its executive officers, employees, and workers) violates this Act or any order issued under this Act, in connection with its business affairs as a bonded transportation business entity, etc.;
  - 4-2. Where it violates Article 223-2;
  5. Where it (including any of its executive officers, employees, and workers) is subject to an administrative fine under Article 29 (1) of the Individual Consumption Tax Act or Article 25 (1) of the Traffic, Energy and Environment Tax Act in relation to its business.
- (2) Where the suspension of business under paragraph (1) is likely to cause significant inconveniences to the user thereof or to cause any damage to public interests, the head of a customs office may impose a penalty surcharge on the relevant bonded transportation business entity, etc. in the amount not exceeding 3/100 of the sales amount to be accrued by continuing the relevant business, in lieu of a disposition of

business suspension. In such cases, necessary matters concerning the computation of sales amount, and the amount and payment deadline of penalty surcharges, etc. shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 12847, Dec. 23, 2014>

(3) Article 26 shall apply mutatis mutandis to the collection of a penalty surcharge where a person liable to pay a penalty surcharge under paragraph (2) fails to pay it by the payment deadline. <Newly Inserted by Act No. 12847, Dec. 23, 2014>

#### **Article 224-2 (Invalidation of Registration of Bonded Transportation Business Entities, etc.)**

The registration of a bonded transportation business entity, etc. under Article 222 (1) shall be invalidated, if it falls under any of the following subparagraphs:

1. Where the bonded transportation business entity, etc. discontinues its business;
2. Where the bonded transportation business entity, etc. is deceased (in cases of a corporation, where it is dissolved);
3. Where the term of validity of its registration under Article 222 (5) expires;
4. Where its registration is revoked pursuant to Article 224 (1).

#### **Article 225 (Declaration and Reporting by Shipping Companies, etc. handling Bonded Cargos)**

(1) A shipping company or an airline that handles bonded cargos (including its agent; hereinafter the same shall apply) shall file a declaration thereon with the head of a customs office, as prescribed by Presidential Decree. This shall apply where he/she has modified important matters prescribed by Presidential Decree, such as the address, etc. of the person who files the declaration. <Amended by Act No. 10897, Jul. 25, 2011>

(2) When the head of a customs office deems it necessary to expedite a customs clearance for bonded cargos and simplify the procedures for managing such bonded cargos, he/she may require any shipping company or airline to report on its business affairs, as prescribed by Presidential Decree. <Amended by Act No. 10897, Jul. 25, 2011>

(3) Deleted. <by Act No. 10897, Jul. 25, 2011>

#### **Article 226 (Certification and Verification of Permission, Approval, etc.)**

(1) Goods that need to satisfy the conditions prescribed by statutes, such as permission, approval, and labels, at the time of exportation or importation, shall be verified by the head of a customs office that they have satisfied such conditions.

(2) With respect to imported and exported goods that need to be verified by the head of a customs office that they have satisfied the conditions referred to in paragraph (1) at the time of customs clearance, methods and procedures for such verification and other necessary matters shall be published in advance, as prescribed by Presidential Decree, notwithstanding other statutes.

(3) Article 245 (2) shall apply mutatis mutandis to the verification referred to in paragraph (1).

#### **Article 227 (Requests for Fulfilling Obligation)**

(1) With respect to goods on which obligations, such as being used for a specific purpose, are imposed after their import in accordance with other statutes, the head of a customs office may request in writing that such obligation should be fulfilled.

(2) A person in receipt of a request for fulfilling the obligation referred to in paragraph (1) shall fulfill such obligation imposed on the relevant goods unless special grounds prescribed by Presidential Decree exist that exempt him/her from fulfilling such obligation.

#### **Article 228 (Customs Clearance Labels)**

When the head of a customs office deems it necessary to secure customs duties, he/she may order customs clearance labels be placed on imported goods, as prescribed by Presidential Decree.

#### **Article 229 (Standards for Confirmation of Country of Origin)**

(1) Where the country of origin is confirmed in order to assess and collect customs duties in accordance with this Act, treaties, conventions, etc. to clear the customs on any import and export goods, to conduct an investigation, etc. upon request for confirmation pursuant to Article 233 (3), any of the following countries shall be the country of origin: *<Amended by Act No. 12159, Jan. 1, 2014>*

1. A country where all of the relevant goods are produced, processed or manufactured;
2. Where the relevant goods are produced, processed or manufactured in at least two countries, a country where the final process of producing, processing and manufacturing the relevant goods is practically undertaken to the extent that such goods are fully given with their essential characteristics.

(2) Necessary matters concerning the scope of goods subject to the application of any subparagraph of paragraph (1), specific standards, etc. for confirming the country of origin shall be determined by Ordinance of the Ministry of Strategy and Finance.

(3) Notwithstanding paragraphs (1) and (2), if deemed necessary to prescribe otherwise standards, etc. for confirming the country of origin to implement treaties, conventions, etc., standards, etc. for confirming the country of origin shall be determined otherwise by Ordinance of the Ministry of Strategy and Finance.

#### **Article 230 (Limitations on Customs Clearance of Goods with False Country of Origin Labels)**

When any goods which are required to carry the country of origin labels in accordance with statutes fall under any of the following subparagraphs, the head of a customs office may not permit such goods to undergo customs clearance: Provided, That if a violation is insignificant, the head of the customs office may permit the goods in question to undergo the customs clearance procedure after having such insignificant violation supplemented or corrected:

1. Where the country of origin is labeled in a manner not in compliance with standards and methods prescribed by statutes;
2. Where the country of origin is falsely labeled in an illegal manner;
3. Where no country of origin is labeled.

#### **Article 230-2 (Limitations on Customs Clearance of Goods with False or Misleading Labels on Quality, etc.)**

The head of a customs office shall not grant permission for customs clearance of any goods with a false label on their quality, details, manufacturing method, use and quantity (hereafter referred to as "quality, etc." in this Article) or with a misleading label or mark on their quality, etc. which violate the statutes governing the labels on quality, etc. including but not limited to the Unfair Competition Prevention and



Trade Secret Protection Act, the Food Sanitation Act and the Industrial Standardization Act.

**Article 231 (Custody, etc. of Transshipped Goods, etc.)**

(1) The head of a customs office may keep in custody foreign goods whose country of origin is falsely labeled as Korea from among foreign goods temporally unloaded onto land or transferred to another means of transportation in transshipment or combined transshipment pursuant to Article 141.

(2) Foreign goods kept in custody in accordance with paragraph (1) shall be stored in a place managed by the head of a customs office: Provided, That this shall not apply where the head of the customs office deems it unnecessary to do so.

(3) When the head of a customs office keeps foreign goods in custody in accordance with paragraph (1), he/she shall notify the owner of such foreign goods or a person entrusted by such owner of the fact.

(4) When the head of a customs office serves a notice referred to in paragraph (3), he/she may order to correct the country of origin labels in question or to take other necessary measures within a fixed period. In such cases, the head of the customs office shall serve a notice on the owner of the foreign goods or the person entrusted by such owner to the effect that if he/she fails to comply with orders, the foreign goods in question shall be sold.

(5) When an order referred to in the former part of paragraph (4) is carried out, the head of a customs office shall release the goods from such custody immediately.

(6) When an order referred to in the former part of paragraph (4) is not carried out, the head of a customs office may sell the goods in question. In such cases, Articles 160 (4) through (6) and 210 shall apply mutatis mutandis to methods and procedures for such sale.

**Article 232 (Certificates of Origin, etc.)**

(1) A person who imports goods whose country of origin needs to be confirmed in accordance with this Act, treaties, conventions, etc. shall present a document attesting the country of origin of the relevant goods (hereinafter referred to as "certificate of origin"): Provided, That this shall not apply to goods prescribed by Presidential Decree.

(2) If a person who imports goods whose country of origin needs to be confirmed pursuant to paragraph (1) fails to present a certificate of origin, the head of a customs office may choose not to grant tariff benefits by not applying the general preferential tariff, the international cooperation tariff or the beneficial tariff when applying tariff rates provided for in this Act, treaties, conventions, etc.

(3) The head of a customs office may require a person who imports goods whose country of origin needs to be confirmed to provide necessary data to confirm the details of a certificate of origin presented under paragraph (1) (hereafter in this Article referred to as "supporting documents for the certificate of origin"). In such cases, when a person who imports goods whose country of origin needs to be confirmed fails to provide supporting documents for the certificate of origin without any justifiable ground, the head of a customs office may refuse to recognize the details of the certificate of origin presented when an import declaration is filed.

(4) When a person who provides supporting documents for the certificate of origin pursuant to paragraph (3) requests that the provided documents not be disclosed citing justifiable grounds, the head of a customs office shall not disclose such documents in the absence of the explicit consent of the person.

(5) Notwithstanding paragraphs (1) through (4), where it is necessary to separately determine matters concerning the presentation, etc. of certificates of origin for the enforcement of any treaty, convention, etc., such matters shall be determined by Ordinance of the Ministry of Strategy and Finance. <Newly Inserted by Act No. 11121, Dec. 31, 2011>

#### **Article 232-2 (Issuance, etc. of Certificates of Origin)**

(1) When an exporter of goods to which a tariff concession can be made pursuant to this Act, treaties, conventions, etc. requests for the issuance of a certificate of origin, the head of a customs office or any other agency having authority to issue a certificate of origin shall issue it to the exporter.

(2) When the head of a customs office deems it necessary to confirm the details of the certificate of origin issued pursuant to paragraph (1), he/she may require any of the following persons to provide supporting documents for the certificate of origin (limited to documents prescribed by Presidential Decree). In such cases, a period for providing documents shall not be longer than a period determined by Ordinance of the Ministry of Strategy and Finance which is at least 20 days:

1. A person to whom the certificate of origin has been issued;
2. A person who has issued the certificate of origin;
3. Other persons prescribed by Presidential Decree.

#### **Article 232-3 (Country of Origin Verification Committee)**

(1) In order to deliberate on the following matters, the Origin Verification Committee shall be established in the Korea Customs Service:

1. Verification of meeting the standards, etc. for confirming the country of origin under Article 229 (3);
2. Verification of appropriateness of the label of the country of origin referred to in the subparagraphs of Article 230;
3. Verification of the contents of certificates of origin under Article 232 (3);
4. Other matters referred to a meeting by the Commissioner of the Korea Customs Service in relation to the confirmation, etc. of the countries of origin under this Act or the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements, as the deliberation by the Origin Verification Committee is deemed necessary.

(2) Matters concerning the composition and operation of the Origin Verification Committee under paragraph (1) and other necessary matters shall be prescribed by Presidential Decree.

#### **Article 233 (Requests for Confirming Certificates of Origin, etc. and Investigations)**

(1) The head of a customs office may request a customs office of a foreign country that has issued a certificate of origin or any agency authorized to issue such certificate of origin (hereafter referred to in this Article, as "foreign customs office, etc.") to confirm the authenticity, accuracy, etc. of such certificate of origin and supporting documents for the certificate of origin in accordance with Article 232 (1) and (3). In

such cases, the head of the customs office shall file a request for confirmation after an import declaration on the relevant goods is accepted and shall notify an importer of the fact that he/she has files a request for confirmation, the details of a reply, and his/her decisions following such reply. <Amended by Act No. 11602, Jan. 1, 2013; Act No. 12159, Jan. 1, 2014>

(2) Except as otherwise expressly provided for in a treaty or convention, in any of the following subparagraphs, general preferential tariffs, international cooperation tariffs or beneficial tariffs need not apply to the matters requested by the head of a customs office to be confirmed under paragraph (1). In such cases, the head of a customs office shall assess and collect the customs duties payable under Articles 38-3 (6) or 39 (2) or the difference between the amount of customs duties payable and the amount paid: <Newly Inserted by Act No. 12159, Jan. 1, 2014; Act No. 14379, Dec. 20, 2016>

1. Where a foreign customs office, etc. fails to send results of confirmation within a period prescribed by Ordinance of the Ministry of Strategy and Finance;
2. Where the country of origin reported to the head of the customs office is confirmed to be different from actual country of origin;
3. Where the details of the reply from a foreign customs office, etc. do not contain the information necessary to confirm a certificate of origin or supporting documents for the certificate of origin under Article 229.

(3) Where the head of a customs office is requested to verify the authenticity, accuracy, etc. of the certificate of origin and supporting documents for the certificate of origin from any duly-authorized agency of a country that imports goods whose certificate of origin has been issued, he/she may conduct a written or field investigation on any of the following persons where deemed necessary: <Amended by Act No. 16093, Dec. 31, 2018>

1. A person to whom the certificate of origin has been issued;
2. A person who has issued the certificate of origin;
3. The manufacturer or exporter of the exported goods.

(4) Necessary matters concerning a request for verification under paragraph (1) and an investigation under paragraph (3) shall be prescribed by Presidential Decree. <Amended by Act No. 12159, Jan. 1, 2014>

(5) Notwithstanding paragraphs (1) through (4), when it is necessary to separately determine matters concerning a request for verification, an investigation, etc. of the certificate of origin to enforce any treaty, convention, etc., such matters shall be determined by Ordinance of the Ministry of Strategy and Finance. <Newly Inserted by Act No. 11121, Dec. 31, 2011; Act No. 12159, Jan. 1, 2014>

#### **Article 233-2 (Collection and Analysis of Information on Origin of Exported and Imported Goods)**

(1) The Commissioner of the Korea Customs Service may collect and analyze information necessary for the business affairs of confirming, determining, verifying, etc. the origin of exported and imported goods in accordance with this Act, the Act on the Special Cases of Customs Act for the Implementation of Free Trade Agreements, treaties, agreements, etc.

(2) Where it is necessary for the efficient collection and analysis of information pursuant to paragraph (1), the Commissioner of the Korea Customs Service may entrust part of the business affairs prescribed by Presidential Decree to the head of a corporation or organization prescribed by Presidential Decree. In such cases, the Commissioner of the Korea Customs Service may support expenses incurred in performing entrusted affairs within the budgetary limits. <Amended by Act No. 11602, Jan. 1, 2013>

(3) Matters necessary for the collection and analysis of information on the origin of exported and imported goods under paragraph (1) shall be prescribed by Presidential Decree.

#### **Article 233-3 (Council of Agencies Controlling Violation of Origin Labeling)**

(1) In order to have consultation on matters prescribed by Presidential Decree, including the exchange of information that is necessary for controlling the violation of origin labeling under this Act, the Act on Origin Labeling of Agricultural and Fishery Products and the Foreign Trade Act, the Council of Agencies Controlling Violation of Origin Labeling shall be established in the Korea Customs Service.

(2) Organization and operation of the Council of Agencies Controlling Violation of Origin Labeling under paragraph (1) and other necessary matters shall be prescribed by Presidential Decree.

#### **Article 234 (Prohibition on Export and Import)**

The following goods may not be exported or imported:

1. Books, publications, drawings, films, records, videos, sculptures and other similar goods which disrupt constitutional order, disturb the public safety and order or corrupt public morals;
2. Goods which reveal confidential information of the Government or are used to carry out intelligence missions;
3. Currencies, bonds and securities which are counterfeited, forged or copied.

#### **Article 235 (Protection of Intellectual Property Rights)**

(1) No goods which infringe on any of the following intellectual property rights may be imported or exported: <Amended by Act No. 11458, Jun. 1, 2012>

1. Trademark rights, the enactment of which is registered under the Trademark Act;
2. Copyrights and neighboring rights pursuant to the Copyright Act (hereafter referred to as "copyright, etc." in this Article);
3. Variety protection rights created and registered pursuant to the Act on the Protection of New Varieties of Plants;
4. Geographical indications rights or geographical indications (hereinafter referred to as "geographical indications right, etc.") registered under the Agricultural Products Quality Control Act or the Quality Control of Fishery Products Act, or designated for the protection under treaties, agreements, etc.;
5. Patent rights, the enactment of which is registered under the Patent Act;
6. Design rights, the enactment of which is registered under the Design Protection Act.

(2) When it is necessary to efficiently regulate goods which infringe on an intellectual property right referred to in each subparagraph of paragraph (1), the Commissioner of the Korea Customs Service may require the person, etc. who has registered the intellectual property right in question or the enactment

thereof pursuant to the relevant statutes to file a report on the matters concerning the intellectual property right in question.

(3) When any of the following goods are deemed to have infringed on an intellectual property right reported under paragraph (2), the head of a customs office shall notify the person who has reported the intellectual property right of the fact that the export or import declaration on the relevant goods, the declaration on transshipment, combined transshipment, shipment into a bonded area, bonded transportation, or on temporary unloading thereof pursuant to subparagraph 1 of Article 141 (hereafter referred to as "import or export declaration, etc." in this Article) has been filed. In such cases, the person in receipt of a notification may provide security to the head of the customs office and request him/her to withhold a customs clearance for the relevant goods or to keep them in custody:

1. Goods on which an import or export declaration is filed;
2. Goods on which a transshipment or combined transshipment declaration is filed;
3. Goods on which a shipment declaration into a bonded area is filed;
4. Goods on which a bonded transportation declaration is filed;
5. Goods on which a temporary unloading declaration is filed pursuant to subparagraph 1 of Article 141.

(4) A person who intends to keep his/her intellectual property right under each subparagraph of paragraph (1) protected may offer security to the head of a customs office and request him/her to withhold customs clearance for the relevant goods or to keep them in custody.

(5) The head of a customs office in a receipt of a request in accordance with paragraphs (3) and (4) shall withhold a customs clearance for the relevant goods or keep them in custody unless special grounds exist that prevent him/her from doing so: Provided, That where a person who has filed an export or import declaration, etc. provides security and requests a customs clearance, or release of custody, such customs clearance or custody of the relevant goods may be permitted except for the following goods:

1. Goods which bear a forged or similar trademark, thus infringing on a trademark right referred to in paragraph (1) 1;
2. Illegally reproduced goods that infringe on a copyright, etc. referred to in paragraph (1) 2;
3. Goods using the same or similar variety name, thus infringing on a variety protection right referred to in paragraph (1) 3;
4. Goods using a forged or similar geographical indication, thus infringing on a geographical indications right, etc. referred to in paragraph (1) 4;
5. Goods using the invention, the establishment of which is patented, thus infringing on a patent right referred to in paragraph (1) 5;
6. Goods using the same or similar design, thus infringing on a design right referred to in paragraph (1) 6.

(6) Necessary matters including but not limited to a report on intellectual property rights, provision of security, and withholding and permission for a customs clearance, custody and release of custody provided for in paragraphs (2) through (5) shall be prescribed by Presidential Decree.

(7) If it is obvious that goods referred to in paragraph (3) has infringed on any intellectual property right provided for in each subparagraph of paragraph (1), the head of a customs office may withhold customs clearance for such goods or keep them in custody ex officio, as prescribed by Presidential Decree. In such cases, the head of the customs office shall promptly notify the person who has filed an import or export declaration, etc. on the goods in question.

#### **Article 236 (Restrictions on Goods and Procedures for Customs Clearance)**

When the Commissioner of the Korea Customs Service or the head of a customs office deems it necessary for monitoring, he/she may restrict goods which may undergo customs clearance in any customs clearance station, a customs clearance area or a specific customs office.

#### **Article 237 (Withholding of Customs Clearance)**

In any of the following subparagraphs, the head of a customs office may withhold customs clearance for the relevant goods: <Amended by Act No. 13548, Dec. 15, 2015; Act No. 14379, Dec. 20, 2016>

1. Where matters entered in a declaration on an export, import or a return under Article 241 or 244 are required to be cured;
2. Where documents, etc. submitted under Article 245 are required to be cured;
3. Where obligations provided for in this Act are violated or the public health, etc. is likely to be harmed;
4. Where a safety inspection specified in Article 246-3 (1) is necessary;
5. Where the goods are imported by the relevant defaulter, the disposition to collect customs duties in arrear is entrusted to the head of a customs office under Article 30-2 of the National Tax Collection Act;
6. Other cases prescribed by Presidential Decree as deemed necessary to verify the matters needed under this Act.

#### **Article 238 (Orders Issued to Ship Goods into Bonded Areas)**

(1) The Commissioner of the Korea Customs Service or the head of a customs office may order any of the following goods which are found to violate obligations provided for in this Act and feared to harm the public health, etc. shipped into a bonded area, as prescribed by Presidential Decree:

1. Goods which are due to be exported overseas after an export declaration thereon is accepted;
2. Goods which are shipped out of a bonded area after an import declaration thereon is accepted.

(2) A person subject to an order issued pursuant to paragraph (1) shall ship the relevant goods into a designated bonded area.

#### **Article 239 (Consumption or Use of Goods not Deemed Imported)**

Foreign goods consumed or used shall not be deemed imported, if such consumption or use falls under any of the following subparagraphs: <Amended by Act No. 16093, Dec. 31, 2018>

1. Where vessel supplies, aircraft supplies, or vehicle supplies are consumed or used according to their respective purposes in the respective means of transportation;
2. Where vessel supplies, aircraft supplies, or vehicle supplies are consumed or used pursuant to their respective purposes by providing them to a person who has completed the departure inspection

procedure in accordance with the Immigration Act, or is to leave for a third country via Korea without entering Korea, within the designated bonded area determined by the head of a customs office;

3. Where travelers consume or use their personal effects in any means of transportation or any customs route;

4. Where foreign goods are consumed or used as recognized by this Act.

#### **Article 240 (Legal Fiction of Export and Import)**

(1) Any of the following foreign goods shall be deemed legally imported in accordance with this Act; and customs duties, etc. thereon shall not be collected separately:

1. Postal items delivered to any addressee through any postal service office;

2. Goods sold under this Act;

3. Goods forfeited under this Act;

4. Goods which fall under Articles 269, 272, 273, or 274 (1) 1 and their duties are paid upon a notice disposition taken in accordance with this Act;

5. Goods which revert to the National Treasury in accordance with statutes;

6. Goods, the value of which is additionally collected in lieu of their forfeiture in accordance with Article 282 (3).

(2) Any postal items mailed out to any foreign country through the postal service office shall be deemed legally exported or returned in accordance with this Act.

#### **Article 240-2 (Reporting on Distribution Track Record after Customs Clearance)**

(1) A person who imports foreign goods and a person who trades foreign goods in Korea (excluding business entities mainly engaging in their sale to consumers) shall report details of goods trades designated by the Commissioner of the Korea Customs Service as likely to undermine social security or national health (hereinafter referred to as "goods subject to report on distribution track record") for each distribution level (hereinafter referred to as "distribution track record") to the Commissioner of the Korea Customs Service.

(2) A person obligated to report distribution track record under paragraph (1) (hereinafter referred to as "person obligated to report distribution track record") shall prepare distribution track record on books (including electronic recording methods) and keep the data for one year from the date of such trade.

(3) The Commissioner of the Korea Customs Service shall consult in advance on the designation of goods subject to reporting on distribution track record with the relevant administrative agencies.

(4) With respect to the designation of goods subject to reporting on distribution track record, period of existence of reporting obligation, establishment of the scope of subjects of report, etc., the Commissioner of the Korea Customs Service shall not unreasonably discriminate foreign goods against domestic goods and endeavor to minimize a burden to persons obligated to report distribution track record.

(5) The period of existence of reporting obligation for each goods subject to reporting on distribution track record, scope of distribution track record, reporting procedure, and other necessary matters related to reporting on distribution track record shall be determined by the Commissioner of the Korea Customs

Service.

#### **Article 240-3 (Investigations on Distribution Routes Record)**

(1) The Commissioner of the Korea Customs Service may have a customs officer have access to the place of business of a person obligated to report distribution track record and conduct an investigation by inspecting books or documents related to business, if deemed necessary to enforce Article 240-2.

(2) A person obligated to report distribution track record shall not reject, interfere with, or evade the investigations under paragraph (1) without any reasonable ground.

(3) A customs officer who conducts an investigation pursuant to paragraph (1) shall carry a certificate indicating his/her identification and present it to related persons.

#### **Article 240-4 (Establishment and Implementation of Master Plans for Trade Facilitation)**

(1) In order to facilitate the procedures for export and import, including customs clearance, provided for in this Act and related statutes, and to promote the facilitation of international cooperation related thereto (hereinafter referred to as "trade facilitation") in accordance with the Marrakesh Agreement Establishing the World Trade Organization, the Minister of Strategy and Finance shall establish and implement a master plan for trade facilitation including the following matters (hereinafter referred to as "master plan"):

1. Matters concerning the basic directions setting for trade facilitation policies;
2. Matters concerning the building and operation of trade facilitation infrastructure;
3. Matters concerning the creation of environments for trade facilitation;
4. Matters concerning the international cooperation related to trade facilitation;
5. Matters concerning the measures for the collection, analysis and utilization of statistical data related to trade facilitation;
6. Matters concerning the securement and distribution of financial resources for trade facilitation;
7. Other matters necessary to promote trade facilitation.

(2) In order to implement a master plan, the Minister of Strategy and Finance may provide necessary support to institutions or organizations which perform the affairs related to trade facilitation, as prescribed by Presidential Decree.

#### **Article 240-5 (Simplification of Customs Clearance Procedures under Principle of Reciprocity)**

Simplified customs clearance procedures may be applied to goods imported from any foreign country which provides convenience in the process of customs clearance to Korea in keeping with the principle of reciprocity in order to facilitate the international trade and exchanges and to promote cooperation among countries, as prescribed by Presidential Decree.

#### **Article 240-6 (Mutual Exchange, etc. of Information on Customs Office between Countries)**

(1) In order to expedite the customs clearance of goods and to prevent goods violating this Act from being shipped in Korea, the Commissioner of the Korea Customs Service may issue the items of export and import declarations and unique consignment reference numbers determined by the World Customs Organization or have them used.



(2) The Commissioner of the Korea Customs Service may exchange information on items of export and import declarations and unique consignment reference numbers determined by the World Customs Organization with other countries in accordance with the principle of reciprocity.

(3) The Commissioner of the Korea Customs Service may exchange, with other countries, matters prescribed by Presidential Decree, such as export and import declaration data, for the assessment and collection of customs duties and the examination and criminal prosecution of an objection to taxation, to the extent consistent with other statutes, in accordance with the treaties concluded by the Republic of Korea with other countries for cooperation and mutual assistance in customs administration and the international agreements concluded by the Republic of Korea with international organizations.

(4) Notwithstanding paragraph (3), the Commissioner of the Korea Customs Service may restrict the provision of export and import declaration data, etc. to a trade partner country in accordance with the principle of reciprocity.

(5) In exchanging export and import declaration data, etc. with another country under paragraph (3), the Commissioner of the Korea Customs Service shall notify the declarant or his/her agent of such fact, as prescribed by Presidential Decree.

#### **Article 241 (Declarations on Export, Import or Return)**

(1) Each person, who intends to export, import or return goods, shall declare the names, standards, quantities and values of the relevant goods, and other matters prescribed by Presidential Decree to the head of a customs office.

(2) With respect to any of the following goods, a declaration thereon required under paragraph (1) may be omitted or filed in a simplified manner prescribed by the Commissioner of the Korea Customs Service, as prescribed by Presidential Decree: <Amended by Act No. 12847, Dec. 23, 2014; Amended by Act No. 16093, Dec. 31, 2018>

1. Personal effects, consignments or unaccompanied goods;

2. Postal items;

3. Goods exempted from customs duties in accordance with Articles 91 through 94, 96 (1) and 97 (1);

3-2. Means of transportation subject to reporting or approval under Articles 135, 136, 149 and 150:

Provided, That any of the following means of transportation shall be excluded herefrom:

(a) Means of transportation shipped into Korea at first for the purpose of import;

(b) Means of transportation used in Korea, which have been repaired, or the parts, etc. of which have been replaced, in a foreign country;

(c) Means of transportation to be exported or returned to a foreign country;

4. Containers used for international transportation (limited to those the basic tariff rates of which are zero in accordance with the attached Schedules of Tariff Rates).

(3) Each person, who has shipped goods intended for import or return into a designated storage place or a bonded warehouse, or stored such goods in a place, other than a bonded area, shall file a declaration thereon pursuant to paragraph (1) within 30 days from the date on which he/she shipped such goods into

such place or stored them in such place (within 30 days from the date on which he/she may file a return declaration as prescribed by the Commissioner of the Korea Customs Service, in cases of the goods falling under Article 243 (1)).

(4) When a person who imports or returns goods prescribed by Presidential Decree fails to file a declaration thereon within the period described in paragraph (3), the head of a customs office may collect the amount prescribed by Presidential Decree as an additional duty in an amount not in excess of 2/100 of the customs value of the goods.

(5) In any of the following subparagraphs, the head of a customs office shall collect an amount equivalent to 20/100 (40/100 in cases falling under subparagraph 1, but 60/100 in cases falling under any ground prescribed by Presidential Decree, such as where voluntary declarations have not been filed repeatedly) of the amount of duty (including the customs duties and internal taxes) payable for the relevant goods as an additional duty: <Amended by Act No. 12847, Dec. 23, 2014>

1. Where a duty is assessed on personal effects falling under paragraph (2) 1 (excluding goods falling under Article 96 (1) 1 and 3) on which any traveler or crew member fails to file a declaration;
2. Where a duty is assessed on moving goods (excluding goods falling under subparagraph 2 of Article 96) on which a person who enters Korea as a migrant fails to file a declaration.

(6) Notwithstanding paragraph (3), each person, who exports, imports, or returns any goods prescribed by Presidential Decree, such as electricity, oil, etc. through power lines, pipes or those similar thereto prescribed by Presidential Decree because of the peculiar nature of such goods, shall file a declaration thereon stating the matters set forth in paragraph (1) concerning the goods on a monthly basis by not later than the tenth day of the next month, as prescribed by Presidential Decree. In such cases, paragraph (4) shall apply mutatis mutandis to the collection of additional duties if the person fails to file a declaration on exports, imports, or returns within the time limit.

#### **Article 241-2 (Special Cases concerning Import Declaration on Means of Transportation Repaired in Foreign Countries)**

Where an import declaration is filed on the means of transportation under Article 241 (2) 3-2 (b), the price of the relevant means of transportation shall be the price of the part repaired or of the parts, etc. replaced.

#### **Article 242 (Declarant of Import, Export, Return, etc.)**

A declaration referred to in Article 241, 244 or 253 shall be filed in the name of the owner of goods, a licensed customs broker, etc.: Provided, That in cases of export declarations, such declarations may be filed in the name of a person who manufactured and supplied the relevant goods to the owner of goods.

#### **Article 243 (Requirements for Declarations)**

(1) Restrictions may be imposed on the method of returning goods prescribed by the Commissioner of the Korea Customs Service among the goods provided for in Article 206 (1) 1, as determined by the Commissioner of the Korea Customs Service.

(2) An import declaration provided for in Article 241 (1) may be filed only after a vessel or an aircraft loaded with the relevant goods arrives at a port or an airport.

(3) A return declaration provided for in Article 241 (1) may be filed only when the relevant goods are stored in a storage place prescribed by this Act.

(4) In cases of goods prescribed by Presidential Decree because they have high possibility to be involved in any illegal act, such as smuggling out, or they are deemed necessary to be monitored, an export declaration under Article 241 (1) may be filed after bringing them into the place designated by the Commissioner of the Korea Customs Service. <Newly Inserted by Act No. 13548, Dec. 15, 2015>

#### **Article 244 (Import Declarations Prior to Entry to Port)**

(1) Notwithstanding Article 243 (2), when the prompt customs clearance is required for the goods which a person intends to import, an import declaration thereon may be filed before a vessel or an aircraft loaded with the relevant goods enters a port or an airport, as prescribed by Presidential Decree. In such cases, any goods on which an import declaration prior to an entry to the port is filed shall be considered as arrival in Korea.

(2) When the head of a customs office determines to inspect any goods on which an import declaration prior to an entry to the port is filed in accordance with Article 246, he/she shall serve a notice thereon on a person who has filed such import declaration.

(3) The goods which are made subject to an inspection under paragraph (2) shall be shipped into a bonded area (including any place, other than a bonded area, where such goods are stored) under jurisdiction over the customs office at which an import declaration has been filed: Provided, That if an inspection of goods in a vessel or an aircraft is deemed possible by the head of a customs office, such inspection may be conducted in such vessel or such aircraft loaded with the relevant goods.

(4) An import declaration on any goods which are not made subject to the inspection referred to in paragraph (2) may be accepted before a vessel loaded with such goods enters a port.

(5) Article 106 (4) shall apply mutatis mutandis to any goods on which an import declaration prior to an entry to the port is accepted, but their shipment into a bonded area, etc. has yet to be made regardless of whether or not the goods are stored in a designated bonded area.

(6) Matters necessary for the procedures, etc. for the customs clearance of goods on which an import declaration prior to an entry to the port is filed shall be determined by the Commissioner of the Korea Customs Service.

#### **Article 245 (Documents Accompanying Declarations)**

(1) A person that files an export, import or return declaration in accordance with Article 241 or 244 shall present documents prescribed by Presidential Decree in addition to the data for determination of a customs value. <Amended by Act No. 12027, Aug. 13, 2013>

(2) Where a person that is liable to present documents under paragraph (1) presents the relevant documents to a licensed customs broker, etc. that in turn files an export, import or return declaration pursuant to Article 241 or 244 after confirming the documents, the submission of the documents may be omitted or such documents may be presented after an import declaration is accepted.

(3) Where the submission of documents is omitted or such documents are presented after an import declaration is accepted under paragraph (2), if the head of a customs office requests a declarant to present books and provide other related data determined by the Commissioner of the Korea Customs Service as he/she deems it necessary to submit or present such books and other related data, the declarant shall comply therewith.

#### **Article 246 (Inspection of Goods)**

- (1) A customs officer may inspect any goods intended to be exported, imported or returned.
- (2) The Commissioner of the Korea Customs Service may set necessary standards for goods subject to inspection, the scope and method of such inspection, etc. to ensure the efficiency thereof.
- (3) The owner of goods may confirm such goods before he/she files an import declaration thereon, as determined by the Commissioner of the Korea Customs Service.

#### **Article 246-2 (Compensation for Damage Occurred during Inspection of Goods)**

- (1) If any damage occurs to goods in the course of legitimate inspection of goods conducted by a customs officer under Article 246, the Commissioner of the Korea Customs Service or the head of a customs office shall pay compensation to the person who has suffered the damage (hereinafter referred to as "compensation for damage").
- (2) The standards for compensation for damage under paragraph (1) and matters concerning the amount of compensation shall be prescribed by Presidential Decree.
- (3) Procedures and methods of paying compensation for damage under paragraph (1) and other necessary matters shall be determined by the Commissioner of the Korea Customs Service.

#### **Article 246-3 (Safety Inspection of Goods)**

- (1) At the request of the head of a central administrative agency, the Commissioner of the Korea Customs Service may require the head of a customs office to conduct a safety inspection of ingredients, quality, etc. of exported and imported goods and other goods prescribed by other statutes that need to be verified by the head of a customs office under Article 226 (hereinafter referred to as "safety inspection"). *<Amended by Act No. 15218, Dec. 19, 2017>*
- (2) The head of a central administrative agency who requests a safety inspection pursuant to paragraph (1) shall provide the Commissioner of the Korea Customs Service with the related information including the method of the safety inspection. *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*
- (3) If the Commissioner of the Korea Customs Service receives a request for a safety inspection from the head of a central administrative agency pursuant to paragraph (1), he/she shall designate goods subject to safety inspection in consideration of the human resources, equipment, etc. required for the relevant safety inspection, and shall notify the head of the relevant central administrative agency of the results thereof. *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*
- (4) The Commissioner of the Korea Customs Service shall take measures for efficient safety inspection, such as support of self-inspection facilities necessary for the safety inspection of the goods subject to safety inspection designated pursuant to paragraph (3). *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*

(5) The head of a customs office shall, in cooperation with the head of the relevant central administrative agency, conduct a safety inspection of goods designated as those subject to safety inspection pursuant to paragraph (3). *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*

(6) The Commissioner of the Korea Customs Service may disclose information on goods turned out to be illegal, defective or harmful as the result of a safety inspection, through the website of the Korea Customs Service. *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*

(7) There shall be established a council of institutions engaging in the safety and security management program of exported and imported goods in the Korea Customs Service, in order to hold consultations about the matters prescribed by Presidential Decree, such as exchange of information necessary for safety inspections.

(8) Organization and operation of the council of institutions engaging in the safety and security management program of exported and imported goods referred to in paragraph (7) and other necessary matters shall be prescribed by Presidential Decree. *<Amended by Act No. 15218, Dec. 19, 2017>*

(9) Except as otherwise expressly provided for in paragraphs (1) through (8), necessary matters concerning the methods, procedures, etc. for safety inspections referred to in paragraph (1) shall be determined by the Commissioner of the Korea Customs Service. *<Amended by Act No. 15218, Dec. 19, 2017>*

#### **Article 247 (Place of Inspection)**

(1) Inspections referred to in Article 186 (1) or 246 shall be performed in a place where goods can be stored under Article 155 (1): Provided, That the inspection of goods intended to be exported shall be performed in a place where such goods are stored.

(2) Notwithstanding paragraph (1), when the head of a customs office deems it inevitable for an efficient inspection, he/she may inspect the relevant goods after getting such goods shipped into a bonded area, as determined by the Commissioner of the Korea Customs Service.

(3) Where the place of an inspection under paragraph (1) is not a designated storage place or a customs inspection place, a declarant shall pay fees as determined by Ordinance of the Ministry of Strategy and Finance: Provided, That in cases of a bonded warehouse, if a declarant is different from an operator, no fees shall be paid.

#### **Article 248 (Acceptance of Declarations)**

(1) When any declaration under Article 241 or 244 is filed in conformity with this Act, the head of a customs office shall accept, without delay, such declaration and issue a declaration completion certificate to the relevant declarant: Provided, That if any declaration is received using the electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea pursuant to Article 327 (2), the relevant declarant may directly receive a declaration completion certificate using the electronic data-processing equipment, as determined by the Commissioner of the Korea Customs Service.

(2) When the head of a customs office accepts a declaration on any dutiable goods under Article 241 or 244, he/she may request any of the following persons to offer security equivalent to the relevant duty:

1. A person who was punished by imprisonment with labor for violation of this Act or Article 23 of the Act on Special Cases concerning the Refund of Customs Duties, etc. Levied on Raw Materials for Export and for whom two years have not elapsed since the execution was terminated (including cases where the execution deems to be terminated) or exempted;
  2. A person under the suspension of the sentence of imprisonment with labor, in violation of this Act or the Act on Special Cases concerning the Refund of Customs Duties, etc. Levied on Raw Materials for Export;
  3. A person who has been punished by a fine or who received a notification of a disposition under Articles 269 through 271, 274, 275-2, or 275-3 of this Act or Article 23 of the Act on Special Cases concerning the Refund of Customs Duties, etc. Levied on Raw Materials for Export and for whom two years have not lapsed since the fine was sentenced or the notification of disposition was imposed;
  4. A person who has any record of delinquent taxes, such as customs duties, etc. for the latest two years, as of the date on which an import declaration under Article 241 or 244 was filed;
  5. A person who has difficulty in securing claims on customs duties prescribed by Presidential Decree, taking into consideration the results of importation, tariff rate of imported goods, etc.
- (3) Goods on which a declaration has been filed shall not be shipped out of any means of transportation, any customs route, any loading and unloading passage or a storage place prescribed by this Act before such declaration is accepted under paragraph (1).

#### **Article 249 (Supplement of Declared Matters)**

In any of the following subparagraphs, the head of a customs office may have any incomplete declaration filed pursuant to Article 241 or 244 supplemented before such declaration is accepted: Provided, That if matters in question are insignificant and that it is deemed possible to supplement such matters after the declaration is accepted, such supplement may be made after the declaration is accepted, as determined by the Commissioner of the Korea Customs Service:

1. Where matters stated in any export, import or return under Article 241 or 244 are incomplete;
2. Where documents presented under Article 245 are incomplete.

#### **Article 250 (Withdrawal and Rejection of Declarations)**

(1) A filed declaration may be withdrawn upon approval from the head of a customs office only if there exist justifiable reasons thereof: Provided, That no import or return declaration may be withdrawn after the relevant goods are shipped out of any means of transportation, customs route, loading and unloading passage or storage place prescribed by this Act.

(2) When approval is granted for withdrawing export, import or return declaration of any goods in accordance with paragraph (1) after such declaration has been accepted, the acceptance of the declaration shall become invalid.

(3) The head of a customs office may, when any declaration required under Articles 241 and 244 fails to meet the requirements or is filed in an illegal means, the head of a customs office may reject such declaration.

#### **Article 251 (Loading, etc. of Goods on which Export Declaration is Accepted)**

(1) Any goods on which an export declaration is accepted shall be loaded onto a means of transportation within 30 days from the date on which such export declaration is accepted: Provided, That this shall not apply where approval is granted for extending the loading period within the limit of one year, as determined by Ordinance of the Ministry of Strategy and Finance.

(2) The head of a customs office may revoke the acceptance of an export declaration on any goods which are not loaded onto a means of transportation within the loading period under paragraph (1), as prescribed by Presidential Decree.

#### **Article 252 (Shipment of Goods out of Storage Place Prior to Acceptance of Declaration)**

A person who intends to ship goods on which an import declaration has been filed out of a place where such goods are stored prior to acceptance of such declaration by the head of a customs office under Article 248 shall offer security equivalent to a duty payable thereon and obtain approval therefor from the head of the customs office: Provided, That the provision of security may be omitted if the Government or a local government imports goods, or for goods prescribed by Presidential Decree as no provision of security is deemed to cause any impediment to the payment of duties.

#### **Article 253 (Shipment of Goods out of Storage Place Prior to Import Declaration)**

(1) A person, who intends to immediately ship goods which he/she intends to import out of any means of transportation, customs route, loading and unloading passage or storage place prescribed by this Act before their import declaration is filed, shall file a shipment declaration with the head of a customs office, as prescribed by Presidential Decree. In such cases, the head of the customs office may require the person to offer security equivalent to a duty payable.

(2) A person who is entitled to immediately ship goods out of any storage place or such goods under paragraph (1) shall be designated by the head of a customs office, as prescribed by Presidential Decree.

(3) A person who ships goods out of any storage place after filing an immediate shipment declaration under paragraph (1) shall file an import declaration thereon within ten days from the date on which the immediate shipment declaration is filed.

(4) If the person who ships goods out of any storage place under paragraph (1) fails to file an import declaration within the period referred to in paragraph (3), the head of a customs office shall assess and collect a duty thereon. In such cases, an amount equivalent to 20/100 of the duty assessed on the relevant goods may be collected as an additional duty and the designation under paragraph (2) may be revoked.

#### **Article 254 (Special Customs Clearance for Electronic Commerce Goods, etc.)**

The Commissioner of the Korea Customs Service may separately prescribe matters necessary for customs clearance for exported or imported goods traded through digital documents, including export or import declarations and the inspection of goods and other relevant matters, as prescribed by Presidential Decree.

#### **Article 254-2 (Special Customs Clearance for Consignments)**

(1) With respect to consignments referred to in Article 241 (2) 1, which are goods prescribed by Ordinance of the Ministry of Strategy and Finance, an import declaration under Article 241 (1) may be

omitted when a transportation business entity (referring to a person registered with the Commissioner of the Korea Customs Service or the head of a customs office pursuant to Article 222 (1) 6; hereinafter referred to as "transportation business entity of consignments") submits a list (hereinafter referred to as "list of customs clearance") stating the following matters to the head of a customs office: *<Amended by Act No. 11602, Jan. 1, 2013; Act No. 15218, Dec. 19, 2017>*

1. Names, addresses and countries of a shipper and a consignor of goods;
2. Item, quantity, weight and price of goods;
3. Matters related to a list of customs clearance of consignments and determined by Ordinance of the Ministry of Strategy and Finance.

(2) No transportation business entity of consignments shall submit a false list of customs clearances.

(3) Where a transportation business entity of consignments delivers any consignment, or entrusts the delivery of any consignment (excluding cases falling under the proviso to Article 31 of the Postal Service Act), to a place other than the place of domicile (in cases of a consignment on which the import declaration has been filed pursuant to Article 241 (1), referring to the place of domicile of the person liable to pay duties entered in the import declaration) of the consignor indicated on the list of customs clearance submitted under paragraph (1), it shall notify the head of a customs office of the place of domicile to which such consignment is actually delivered on or before the 15th day of the month following the month in which the date of delivery falls. *<Newly Inserted by Act No. 12159, Jan. 1, 2014; Act No. 15218, Dec. 19, 2017>*

(4) Where a transportation business entity of consignments violates paragraph (2) or (3) or brings goods, the customs clearance of which is restricted pursuant to this Act into Korea, the head of a customs office need not apply customs procedures prescribed in paragraph (1) to such goods. *<Amended by Act No. 12159, Jan. 1, 2014>*

(5) The Commissioner of the Korea Customs Service or the head of a customs office shall order customs officers to inspect consignments, and the Commissioner of the Korea Customs Service shall determine and publicly announce matters necessary for the submission deadline for a list of customs clearance, notification of the place of domicile to which such consignments are actually delivered, inspections of consignments, etc. *<Amended by Act No. 11121, Dec. 31, 2011; Act No. 12159, Jan. 1, 2014>*

(6) The head of a customs office shall clear a consignment through customs at a designated storage place separately determined in accordance with the procedures prescribed by the Commissioner of the Korea Customs Service: Provided, That where the head of a customs office deems that it is not likely to cause any trouble to watch and control over the consignments, he/she may clear the consignment through customs in a bonded warehouse or facilities (limited to facilities operated by a company that moved in a free trade zone after entering into contract for occupancy pursuant to Article 11 of the Act on Designation and Management of Free Trade Zones in the relevant free trade zone) operated by the relevant transportation business entity of consignments. *<Newly Inserted by Act No. 11602, Jan. 1, 2013; Act No. 13856, Jan. 27, 2016>*



(7) Where the head of a customs office clears a consignment through customs in a bonded warehouse or facilities operated by a transportation business entity of consignments pursuant to the proviso to paragraph (6), necessary matters concerning the standards for consignment inspection equipment, procedures for using equipment, the term of validity of using equipment, etc. shall be prescribed by Presidential Decree.

*<Newly Inserted by Act No. 11602, Jan. 1, 2013; Act No. 12159, Jan. 1, 2014>*

**Article 255 Deleted.** *<by Act No. 12847, Dec. 23, 2014>*

**Article 255-2 (Authorized Economic Operators, etc.)**

(1) Where entities related to trade, such as the manufacture, transportation, storage, customs clearance, etc. of exported or imported goods, meet the standards for the safety and security management program, prescribed by Presidential Decree, including financial solvency and obligations or procedures concerning facilities, commercial records management, training of employee, etc., under statutes related to export and import, such as this Act or the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements, the Commissioner of the Korea Customs Service may certify them as authorized economic operators. *<Amende by Act No. 12847, Dec. 23, 2014>*

(2) The Commissioner of the Korea Customs Service shall validate entities that have filed an application for the status of authorized economic operators pursuant to paragraph (1) in accordance with the procedures prescribed by Presidential Decree. In such cases, the Commissioner of the Korea Customs Service may have an agency or organization prescribed by Presidential Decree validate whether such entities meet the standards for the safety and security management program.

(3) An entity certified as an authorized economic operator pursuant to paragraph (1) (hereafter referred to as "AEO" in this Article) may be provided with benefit in the customs clearance procedures, as determined by the Commissioner of the Korea Customs Service.

(4) The Commissioner of the Korea Customs Service may provide benefits pursuant to paragraph (3) to the AEOs of other countries in accordance with the principle of reciprocity.

(5) Where any AEO falls under any of the following subparagraphs, the Commissioner of the Korea Customs Service may revoke the certification:

1. Where it has ceased to meet the standards for the safety and security management program pursuant to paragraph (1);

2. Where it has filed an application for the AEO status pursuant to paragraph (2) fraudulently.

(6) The Commissioner of the Korea Customs Service may carry out supporting projects, including but not limited to consultation and education that are necessary to obtain or maintain AEO status, for entities related to trade, such as the manufacture, transportation, storage, customs clearance, etc. of exported and imported goods, among small and medium enterprises provided for in Article 2 of the Framework Act on Small and Medium Enterprises. *<Amended by Act No. 12159, Jan. 1, 2014>*

(7) Regardless of whether an application for AEO status is filed, the Commissioner of the Korea Customs Service may measure and evaluate the degree to which an entity related to trade, such as the manufacture, transportation, storage, customs clearance, etc. of exported or imported goods, meets the standards for the

safety and security management program, provided for in paragraph (1) according to the procedures prescribed by Presidential Decree, and may utilize the result thereof for the support, management, etc. of the relevant enterprise, as prescribed by Presidential Decree. *<Newly Inserted by Act No. 12847, Dec. 23, 2014>*

(8) The validity period of certification under paragraph (1) shall be five years, and may be renewed, as prescribed by Presidential Decree. *<Newly Inserted by Act No. 13548, Dec. 15, 2015>*

(9) The Commissioner of the Korea Customs Service shall regularly monitor whether AEOs meet the standards for the safety and security management program referred to in paragraph (1); and may have AEOs do post self-assessment and report the result of such assessment. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(10) Where any AEO is transferred, acquired, split or merged, or where any other reason determined by the Commissioner of the Korea Customs Service occurs, such fact shall be reported to the Commissioner of the Korea Customs Service within 30 days from the date on which such reason occurs: Provided, That where the reason falls under those determined by the Commissioner of the Korea Customs Service, as having a significant impact on maintaining AEO status, such fact shall be reported without delay. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(11) In addition to specifics prescribed in paragraphs (9) and (10), detailed matters necessary for filing reports by an AEO, such as reporting methods and procedures, shall be determined by the Commissioner of the Korea Customs Service. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

**Article 255-3 Deleted.** *<by Act No. 12847, Dec. 23, 2014>*

#### **Article 256 (Clearance Post Offices)**

(1) Any postal items (excluding letters; hereinafter the same shall apply) intended to be exported, imported or returned shall pass through clearance post offices.

(2) The Commissioner of the Korea Customs Service shall designate clearance post offices from among postal service offices.

#### **Article 257 (Inspection of Postal Items)**

The postmaster of a clearance post office in receipt of postal items referred to in paragraph (1) shall file a list of postal items with the head of a customs office to have such postal items inspected: Provided, That such process may be omitted for any postal items determined by the Commissioner of the Korea Customs Service.

#### **Article 258 (Decision on Customs Clearance of Postal Items)**

(1) When the head of a customs office determines that any postal items may not be exported, imported or returned, the postmaster of a clearance post office shall not mail out such postal items or deliver them to respective addressees thereof.

(2) Where any postal items, the export and import of which is approved pursuant to Article 11 of the Foreign Trade Act or any postal items that conform with the standards prescribed by Presidential Decree, the addressee or sender of the relevant postal items shall file a declaration required under Article 241.

#### **Article 259 (Notice by Head of Customs Office)**

(1) When the head of a customs office makes a decision referred to in Article 258 or intends to collect a duty, he/she shall notify the postmaster of a clearance post office of the decided matters and the amount of such duty, respectively.

(2) The postmaster of the clearance post office in receipt of the notice referred to in paragraph (1) shall notify the addressee or sender of post items of decided matters.

#### **Article 260 (Procedures for Duty Payment of Postal Items)**

(1) A person who receives a notice on the payment of duties under Article 259 (2) shall pay such duty by revenue stamps or by cash, as prescribed by Presidential Decree.

(2) No postal service office shall deliver any dutiable postal item to their addressees prior to the collection of the duties thereon.

#### **Article 261 (Return of Postal Items)**

The liability to pay duties on postal items shall be extinguished by the return of the relevant postal items.

#### **Article 262 (Suspension, etc. of Means of Transportation from Departure)**

The Commissioner of the Korea Customs Service or the head of a customs office may suspend the departure of any means of transportation or suspend the movement of such means of transportation when he/she deems it necessary to enforce this Act or any order issued under this Act.

#### **Article 263 (Orders Issued to Present, Report, etc. Documents)**

When the Commissioner of the Korea Customs Service or the head of a customs office deems it necessary to enforce this Act (including the Act on Special Cases concerning the Refund of Customs Duties, etc. Levied on Raw Materials for Export; hereafter the same shall apply in this Article) or any order issued under this Act, he/she may issue an order to submit or report documents concerning goods, means of transportation or places of storage, or to take other necessary matters, or require customs officers to investigate related data of exporters, importers, sellers and other relevant persons.

#### **Article 264 (Request for Taxation Data)**

The Commissioner of the Korea Customs Service may request the State agencies, local governments, related institutions, etc. to provide data or statistics related to the assessment and collection of customs duties and customs clearance.

#### **Article 264-2 (Scope of Agencies Obligated to Submit Taxation Data)**

Agencies, etc. obliged to submit taxation data under Article 264 (hereinafter referred to as "agencies obliged to submit taxation data") shall be as follows: <Amended by Act No. 12159, Jan. 1, 2014; Act No. 14379, Dec. 20, 2016>

1. Central government agencies provided for in Article 6 of the National Finance Act (including agencies to which any business of the central government agencies is delegated or entrusted; hereinafter the same shall apply) and their subordinate administrative agencies and auxiliary organs;
2. Local governments (including agencies to which any business of a local government is delegated or entrusted and cooperatives of local government agencies; hereinafter the same shall apply);

3. Public institutions; agencies or organizations contributed or subsidized by the Government; local government-invested public corporation; local government public corporation; or institutions or organizations contributed or subsidized by a local government under Local Public Enterprises Act;
4. Institutions or organizations established by any Act other than the Civil Act or supported by the State or local governments, and supervised, audited or inspected by an agency referred to in subparagraph 1 or 2; and institutions or organizations prescribed by Presidential Decree, and established for the purpose of public interest;
5. Credit card companies and the specialized credit financial business association under the Specialized Credit Finance Business Act;
6. Finance companies, etc. defined in subparagraph 1 of Article 2 of the Act on Real Name Financial Transactions and Confidentiality.

#### **Article 264-3 (Scope of Taxation Data)**

(1) The taxation data to be submitted by an agency subject to submission of taxation data shall be any of the following data, which are directly necessary for the assessment and collection of customs duties and customs clearance: *<Amended by Act No. 12159, Jan. 1, 2014; Act No. 12847, Dec. 23, 2014>*

1. Where any approval, permission, recommendation, etc. is made for the reduction or exemption of customs duties, internal taxes, etc., on imported goods, data relating thereto;
  2. Data necessary for verifying the details of a declaration made under Article 27, 38 or 241 or verification of whether customs duties are reduced or exempted under Article 96, among the data declared to, or received or prepared and kept by, the agency subject to submission of taxation data (including data concerning the current status of payment of all types of subsidies, insurance benefits, insurance money, etc.) as provided for in statutes;
  3. Where the agency subject to submission of taxation data has verified that the goods that need to satisfy the conditions specified in Article 226, such as permission, approval, labels have satisfied such conditions, data relating thereto;
  4. Data necessary for collecting the custom duties, etc. in arrears, as provided for in this Act;
  5. Data prescribed by the Commissioner of the Korea Customs Service after having a prior consultation with the head of the relevant agency to the minimum extent necessary for the assessment and collection of customs duties and customs clearance, among data held by central government agencies referred to in Article 264-2, other than central administrative agencies;
  6. Records of foreign payment made by residents by credit cards, etc. under the Specialized Credit Finance Business Act (limited to the details of purchase of goods) and records of withdrawal of foreign currencies made by residents in foreign countries.
- (2) Detailed scope of taxation data under paragraph (1) shall be prescribed by Presidential Decree for each agency subject to submission of taxation data.

#### **Article 264-4 (Method of Submission of Taxation Data)**

(1) The head of an agency subject to submission of the taxation data shall submit the taxation data to the Commissioner of the Korea Customs Service or the head of a customs office each quarter on or before the end of the month following the end of the quarter, as prescribed by Presidential Decree: Provided, That the period for submission of taxation data may be determined differently as prescribed by Presidential Decree taking into consideration the frequency of occurrence of the taxation data, time to use them, etc.

(2) Where submitting taxation data under paragraph (1), the head of an agency subject to submission of taxation data shall together with them submit a list of data that the agency has received or prepared.

(3) The Commissioner of the Korea Customs Service or the head of a customs office that has received a list of taxation data under paragraph (2) may confirm it and, if any data are omitted or require supplementation, request the agency which has submitted the taxation data to resubmit it after addition or supplement.

(4) Other necessary matters concerning the method of submission of taxation data including forms to be submitted shall be prescribed by Ordinance of the Ministry of Strategy and Finance.

**Article 264-5 (Cooperation for Collection of Taxation Data)**

(1) The head of an agency, etc. that is requested to submit the taxation data referred to in Article 264-3 from the Commissioner of the Korea Customs Service or the head of a customs office shall cooperate in such request unless there is any justifiable reason, such as a special restriction in any other Act or subordinate statute.

(2) The Commissioner of the Korea Customs Service or the head of a customs office may request the head of an agency subject to submission of the taxation data that has data other than those referred to in Article 264-3 to cooperate in the collection of such data, if necessary for assessing and collecting custom duties and customs clearance.

**Article 264-6 (Management, Utilization, etc. of Taxation Data)**

(1) The Commissioner of the Korea Customs Service shall prepare such necessary measures as the establishment of computerized management system for the efficient management and utilization of taxation data under this Act.

(2) The Commissioner of the Korea Customs Service shall frequently examine the status of submission, management and utilization of taxation data under this Act.

**Article 264-7 (Responsibilities, etc. of Agencies Subject to Submission of Taxation Data)**

(1) The head of an agency subject to submission of the taxation data shall frequently examine whether public officials, executives and employees under his/her control are faithfully fulfilling the obligation to submit the taxation data under this Act.

(2) Where any agency subject to submission of taxation data or a public official, executive or employee belonging thereto fails to fulfil the obligation to submit the taxation data under this Act, the Commissioner of the Korea Customs Service shall notify such fact to the head of the agency that supervises, audits or inspects the relevant agency.

#### **Article 264-8 (Obligation to Keep Confidentiality)**

(1) A public official that belongs to the Korea Customs Service or a customs office shall not provide or divulge any taxation data that are received under Articles 264, 264-2 through 264-5 to another person or use them for any other purposes: Provided, That the same shall not apply where they are provided pursuant to the proviso to Article 116 (1) or 116 (2).

(2) Where a public official belonging to the Korea Customs Service or a customs office receives any request to provide the taxation data in violation of paragraph (1), he/she shall reject it.

(3) A person that is provided with the taxation data under the proviso to paragraph (1) shall not provide or divulge them to another person, or use them for any other purposes.

#### **Article 264-9 (Punishment for Violation of Obligation to Keep Confidentiality of Taxation Data)**

(1) A person that provides or divulges taxation data to other persons or use them for any other purposes in violation of Article 264-8 (1) or (3) shall be punished by an imprisonment for not more than three years or by a fine not exceeding 10 million won.

(2) The imprisonment and a fine under paragraph (1) may be imposed concurrently.

#### **Article 265 (Inspections, etc. of Goods, Means of Transportation, etc.)**

When a customs officer deems it necessary to prevent the violations of this Act or an order (including obligations under any treaty concluded by the Republic of Korea and generally approved international rules) issued under this Act, he/she may inspect or seal goods, means of transportation, places of storage, and other related books and documents, or take other necessary measures. <Amended by Act No. 11121, Dec. 31, 2011>

#### **Article 265-2 (Analysis of Goods)**

The customs officer may conduct physical and chemical analysis of the following goods when he/she needs to identify their names, standards, ingredients, uses, countries of origin, etc. or to determine their tariff classification:

1. Goods intended to be exported, imported or returned, which are subject to inspection under Article 246 (1);
2. Goods to be inspected pursuant to Article 265;
3. Goods related to the crimes prescribed in subparagraph 14 of Article 6 of the Act on the Persons Performing the Duties of Judicial Police Officers and the Scope of Their Duties.

#### **Article 266 (Presentation, etc. of Books and Data)**

(1) When a customs officer deems it necessary to discharge his/her duties prescribed by this Act, he/she may ask questions or investigate related data, such as books and documents that have been made into documentation or computerization, or goods of any importer, exporter, seller or other related persons, or request them to produce or present them. <Amended by Act No. 11121, Dec. 31, 2011>

(2) A person who sells goods produced in any foreign country at his/her permanent place of business and meets the standards determined by Ordinance of the Ministry of Strategy and Finance shall keep data attesting to such tax invoice as prescribed by Articles 32 and 35 of the Value-Added Tax Act or the fact on

the import of such goods, etc. at his/her place of business. <Amended by Act No. 11873, Jun. 7, 2013>

(3) When the Commissioner of the Korea Customs Service or the head of a customs office deems it necessary to enforce this Act or any order issued under this Act, he/she may require the seller of the permanent place of business referred to in paragraph (2) and other related persons to file a report on his/her business, as prescribed by Presidential Decree.

#### **Article 267 (Carrying and Use of Weapons)**

(1) When the Commissioner of the Korea Customs Service or the head of a customs office deems it necessary for customs officers to perform their duties, he/she may authorize them to carry weapons. <Amended by Act No. 15218, Dec. 19, 2017>

(2) "Weapons" in paragraphs (1) and (3) means guns (limited to pistols or rifles), swords, gas sprayers, or electroshock weapons under the Act on the Safety Management of Guns, Swords, Explosives, Etc. <Newly Inserted by Act No. 15218, Dec. 19, 2017>

(3) A customs officer may use his/her weapons in discharging his/her duties when he/she deems that there exist justifiable grounds, such as protection of his/her life and body as well as those of others, the deterrence of any impediment and resistance to the discharge of his/her duties, and the need to deal with such situation. <Amended by Act No. 15218, Dec. 19, 2017>

#### **Article 267-2 (Request for Assistance to Heads of Other Related Organizations)**

(1) When a customs officer deems it necessary to discharge his/her duties on the sea, he/she may file a request for assistance with any of the following persons: <Amended by Act No. 12844, Nov. 19, 2014; Act No. 14839, Jul. 26, 2017>

1. The commanding officer of each unit of the Army, the Navy, or the Air Force;
2. The head of a national police station;
3. The head of a coast guard agency.

(2) A person in receipt of a request for assistance prescribed in paragraph (1) may track down and monitor a vessel suspected of smuggling or order such vessel to stop sailing, or inspect or search such vessel in cooperation with customs officers, and if the vessel fails to follow such order, forcibly stop, inspect or search it.

#### **Article 268 (Honorary Customs Officers)**

(1) The Commissioner of the Korea Customs Service may appoint civilians, etc. engaged in the export-and import-related fields as honorary customs officers to perform the following activities, if necessary for efficiently monitoring and cracking down smuggling:

1. Monitoring smuggling at airports and seaports;
2. Providing information and public relations activities for preventing smuggling.

(2) The qualifications for and missions of the honorary customs officers under paragraph (1) and other necessary matters shall be determined by Ordinance of the Ministry of Strategy and Finance.

#### **Article 268-2 (Offense, etc. of Falsifying and Altering Electronic Documents)**

(1) A person who falsifies or alters relevant information, including electronic documents, etc. stored in the electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea or electronic document brokerage business entity in violation of Article 327-4 (1), or a person who uses such falsified or altered information shall be punished by imprisonment with labor for not less than one year but not more than ten years, or by a fine not exceeding 100 million won.

(2) Any of the following persons shall be punished by imprisonment with labor for not more than five years, or by a fine not exceeding 50 million won:

1. A person who operates the Comprehensive Customs Duties Information Network of Korea without having been designated under Article 327-2 (1) or conducts electronic document brokerage without having been designated by the Commissioner of the Korea Customs Service, in violation of Article 327-3 (1);

2. A person who harms relevant information, including electronic documents, etc. stored in the electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea or any electronic document brokerage business entity or violates the confidentiality thereof, in violation of Article 327-4 (2);

3. An executive officer, employee, or former executive officer or employee of any business entity operating the Comprehensive Customs Duties Information Network of Korea or any electronic document brokerage business entity, who discloses or steals the relevant confidential information, including electronic documents, etc. which he/she has learned while performing his/her business affairs, in violation of Article 327-4 (3).

#### **Article 269 (Offense of Smuggling)**

(1) Each person, who exports or imports any goods referred to in each subparagraph of Article 234, shall be punished by imprisonment with labor for not more than seven years, or by a fine not exceeding 70 million won. <Amended by Act No. 12847, Dec. 23, 2014>

(2) Each of the following persons shall be punished by imprisonment with labor for not more than five years, or by a fine not exceeding ten times the amount of customs duties or the prime cost of the relevant goods, whichever is higher:

1. A person who imports goods without filing an import declaration under Article 241 (1) and (2) or 244 (1): Provided, That this shall not apply to a person who files a shipment declaration under Article 253 (1);

2. A person who imports goods which are different from those on which an import declaration is filed under Article 241 (1) and (2) or 244 (1).

(3) Each of the following persons shall be punished by imprisonment with labor for not more than three years, or by a fine equivalent to the prime cost of the relevant goods:

1. A person who exports or returns goods without filing a declaration as prescribed in Article 241 (1) and (2);



2. A person who exports or returns goods different from those on which a declaration is filed under Article 241 (1) and (2).

#### **Article 270 (Offense, etc. of Evading Customs Duties)**

(1) Each of the following persons from among those who have filed import declarations under Article 241 (1) and (2) or 244 (1), shall be punished by imprisonment with labor for not more than three years, or by a fine not exceeding five times the amount of evaded customs duties or the prime cost of the relevant goods, whichever is higher. In such cases, the prime cost of the goods referred to in subparagraph 1 shall be construed as only the prime cost of the goods equivalent to the rate of the evaded customs duties to the whole ones out of the all goods: <Amended by Act No. 13548, Dec. 15, 2015>

1. A person who files a false customs value or a false tariff rate, etc. or fails to file a customs value or a tariff rate, etc. in order to exercise influence on the determination of the amount of duty;
2. A person who applies for an advance ruling or a review of the advance ruling pursuant to Article 86 (1) or (3) or a review pursuant to Article 87 (3) on false documents in order to exercise an influence on the determination of the amount of duty;
3. A person who imports goods as components and other unfinished, incomplete or finished goods having major characteristics as partial components for the purpose of avoiding import restrictions imposed under statutes.

(2) Each person, who files an import declaration under Article 241 (1) and (2) or 244 (1), and imports goods without meeting requirements for permission, recommendation, certification or other conditions necessary for import under statutes or imports goods after meeting such requirements or conditions by any illegal means, shall be punished by imprisonment with labor for not more than three years, or by a fine not exceeding 30 million won.

(3) Each person, who files an export declaration under Article 241 (1) and (2), and exports goods without meeting requirements for permission, recommendation, certification or other conditions necessary for export under statutes or exports goods after meeting such requirements or conditions by any illegal means, shall be punished by imprisonment with labor for not more than one year, or by a fine not exceeding 20 million won.

(4) Each person, who receives the reduction of, or is exempt from, customs duties by any illegal means or evades the collection of the customs duties reduced or exempted, shall be punished by imprisonment with labor for not more than three years, or by a fine not exceeding five times the amount of the evaded customs duties.

(5) Each person who has customs duties refunded by any illegal means, shall be punished by imprisonment with labor for not more than three years, or by a fine not exceeding five times the amount of refunded customs duties. In such cases, the head of a customs office shall immediately collect the amount of the customs duties refunded by any illegal means.

#### **Article 270-2 (Offense of Price Forgery)**

A person that forges the price of goods for the purpose of acquiring, or making a third party acquire, any property or proprietary interests, in filing any of the following applications or declarations shall be punished by imprisonment for not more than two years or by a fine not exceeding the amount which is the higher between the cost of the goods and 50 million won:

1. An application for a revision under Article 38-2 (1) or (2);
2. An amended declaration under Article 38-3 (1);
3. A declaration under Article 241 (1) or (2);
4. A declaration under Article 244 (1).

**Article 271 (Attempted Crime, etc.)**

- (1) A person who knowingly abets or aids any offense prohibited under Articles 269 and 270 shall be punished as committing any principal offense.
- (2) A person who commits any criminal attempt under Articles 268-2, 269 and 270 shall be punished as committing any principal offense.
- (3) The punishment against a person who prepares to commit any offense under Articles 268-2, 269 and 270 shall be mitigated by half the punishment against a principal offender.

**Article 272 (Forfeiture of Transportation Carrier Exclusively Used for Smuggling)**

A vessel, automobile or other transportation carrier which is exclusively used for committing any offense provided for in Article 269 shall be forfeited when the owner thereof is aware that it is used for such purpose and it falls under any of the following subparagraphs:

1. When it is loaded with goods involved in an offense or an attempt is made to load such goods onto it;
2. When, in an attempt to escape from arrest, an order issued by any authorized public official to halt is defied or the loaded goods involved in an offense are thrown into the sea, destroyed or damaged;
3. When goods involved in an offense are taken over or acquired or are intended to be taken over or acquired on the sea;
4. When goods involved in an offense are transported.

**Article 273 (Forfeiture, etc. of Goods Used to Commit Offenses)**

- (1) Goods specially processed to be used for committing any offense provided for in Article 269 shall be forfeited or destroyed in order to make them useless, regardless of whoever owns them.
- (2) Where goods referred to in Article 269 are contained in other goods and such goods are owned by an offender, other goods may be also forfeited.

**Article 274 (Offense, etc. of Acquiring Smuggled Goods)**

- (1) A person who acquires, transfers, transports, keeps in custody, brokers or appraises any of the following goods shall be punished by imprisonment with labor for not more than three years, or by a fine not exceeding the prime cost of the relevant goods:
  1. Goods falling under Article 269;
  2. Goods falling under Article 270 (1) 3, (2) and (3).

(2) A person who attempts an offense referred to in paragraph (1) shall be punished as committing a principal offense.

(3) The punishment against a person who prepares to commit any offense referred to in paragraph (1) shall be mitigated by half the punishment against a principal offender.

**Article 275 (Concurrent Imposition of Imprisonment with Labor and Fines)**

A person who commits any offense prescribed in Articles 269 through 271 and 274 may be concurrently punished by imprisonment with labor and a fine according to circumstances extenuating such offenses.

**Article 275-2 (Offense, etc, of Evading Disposition on Default of Taxes)**

(1) Where a person liable for duty payment or a person who occupies property of a person liable for duty payment conceals or omits the property, or enters into a false contract, for the purpose of evading or intending to evade the execution of dispositions on default of taxes, the person shall be punished by imprisonment with labor for not more than three years, or by a fine not exceeding 30 million won.

(2) Where a person who retains seized goods in custody under Article 303 (2) or a person who retains attached goods under the custody pursuant to Article 38 of the National Tax Collection Act conceals, omits, destroys or consumes the goods in custody, the person shall be punished by imprisonment with labor for not more than three years, or by a fine not exceeding 20 million won.

(3) A person who knowingly abets or aids acts referred to in paragraph (1) or (2), or who approves a false contract shall be punished by imprisonment with labor for not more than two years, or by a fine not exceeding 20 million won.

**Article 275-3 (Offense, of Lending Titles to Others)**

A person who permits any third person to file a declaration for duty payment using the person's name for the purpose of evading customs duties (including internal taxes, etc. collected by the head of a customs office) or evading disposition on default of taxes shall be punished by imprisonment with labor for not more than one year, or by a fine not exceeding ten million won.

**Article 276 (Offense, etc. of False Reporting)**

(1) Deleted. <by Act No. 12027, Aug. 13, 2013>

(2) Each of the following persons shall be punished by a fine not exceeding the prime cost of goods or 20 million won, whichever is higher: <Amended by Act No. 11602, Jan. 1, 2013; Act No. 12027, Aug. 13, 2013; Act No. 12159, Jan. 1, 2014; Act No. 16093, Dec. 31, 2018>

1. A person who performs the general bonded functions without filing a report on the establishment and operation of a place of general bonded business under Article 198 (1);

2. A person who performs the general bonded functions, in violation of a measure taken by the head of a customs office to discontinue such functions under Article 204 (2) or of a shutdown order issued by the head of a customs office under paragraph (3) of the same Article;

3. A person who fails to ship all or some of his/her goods into a bonded area, in violation of an order issued to ship such goods into a bonded area under Article 238;

4. A person who fails to declare matters under Article 241 (1) or files a false declaration when he/she files a declaration under Article 241 (1) and (2) or 244 (1);

4-2. A person who files a false application for or false declaration of the matters referred to in Article 241 (1) when he/she files an application for a revision or an amended declaration under Article 38-2 (1) or (2) or 38-3 (1);

5. A person who violates Article 248 (3).

(3) Each of the following persons shall be punished by a fine not exceeding 20 million won: Provided, That he/she shall be punished by a fine not exceeding three million won, where he/she commits any offense prescribed in subparagraph 2, 3 or 4 by negligence: <Amended by Act No. 10897, Jul. 25, 2011; Act No. 11121, Dec. 31, 2011; Act No. 11602, Jan. 1, 2013; Act No. 12847, Dec. 23, 2014; Act No. 15218, Dec. 19, 2017>

1. A person who prepares and submits a cargo manifest by any illegal means;

2. A person who violates Article 12 (excluding cases falling under Article 277 (5) 2), 98 (2), 109 (1) (excluding cases falling under Article 277 (4) 3), 134 (1) (including cases applicable mutatis mutandis under Article 146 (1)), 136 (2), 148 (1), 149, 222 (1) (including cases applicable mutatis mutandis in Article 146 (1)) or the former part of Article 225 (1);

3. A person who violates Articles 83 (2), 88 (2), 97 (2) and 102 (1): Provided, That a person falling under Article 277 (4) 3 shall be excluded herefrom;

3-2. A person who operates a licensed bonded area without obtaining a license for establishment and operation of a licensed bonded area pursuant to Article 174 (1);

4. A person who fails to discharge duties requested by the head of a customs office under Article 227;

5. A person who falsely prepares and submits the result of the self-review referred to in the latter part of Article 38 (3);

6. A person who falls under Article 178 (2) 1 or 5 or 224 (1) 1.

(4) Each of the following persons shall be punished by a fine not exceeding ten million won: Provided, That where he/she falls under subparagraphs 2 through 4 by negligence, he/she shall be punished by a fine not exceeding two million won: <Amended by Act No. 11121, Dec. 31, 2011; Act No. 11602, Jan. 1, 2013; Act No. 16093, Dec. 31, 2018>

1. A person who makes a false statement in response to questions by a customs officer, or refuses or interferes with the performance of such customs officer's duties;

2. A person who falsely files a port entry report under Article 135 (1) (including cases applicable mutatis mutandis in Article 146 (1)) or a person who falsely obtains departure permission under Article 136 (1) (including cases applicable mutatis mutandis in Article 146 (1));

3. A person who violates Article 135 (1) (including cases applicable mutatis mutandis in Article 146 (1) but excluding persons falling under Article 277 (4) 4), 136 (1) (including cases applicable mutatis mutandis in Article 146 (1)), the latter part of Article 137-2 (1) with the exception of the subparagraphs (excluding persons falling under Article 277 (4) 4), 140 (1), (4) and (6) (including cases applicable mutatis mutandis in Article 146 (1)), subparagraphs 1 and 3 of Article 141 (including cases applicable

mutatis mutandis in Article 146 (1)), 142 (1) (including cases applicable mutatis mutandis in Article 146 (1)), 144 (including cases applicable mutatis mutandis in Article 146 (1)), 150, 151 or 213 (2);

4. A person who violates measures taken by the Commissioner of the Korea Customs Service or the head of a customs office pursuant to Article 135 (2) (including cases applicable mutatis mutandis in Article 146 (1) but excluding persons falling under Article 277 (4) 4), 200 (3), 203 (1) or 262, or refuses, interferes with or evades inspections;

5. A person who has a declaration completion certificate provided for in the proviso to Article 248 (1) issued by any improper means;

6. A person who fails to present or report documents, or to follow orders for necessary measures or files false reports, in violation of Article 263;

7. A person who refuses or interferes with measures taken by the head of a customs office or a customs officer in accordance with Article 265;

8. A person who refuses any request made by a customs officer for presenting books or providing data in accordance with Article 266 (1).

(5) A person who violates Article 165 (2) shall be punished by a fine not exceeding five million won.

*<Newly Inserted by Act No. 11602, Jan. 1, 2013>*

#### **Article 277 (Administrative Fines)**

(1) Where a person in a special relationship who has been requested to submit data pursuant to Article 37-4 (1), fails to submit data by the deadline provided for in Article 37-4 (3) or submits false data without just cause provided for in Article 10, he/she shall be subject to an administrative fine not exceeding 100 million won. In such cases, Article 276 shall not apply. *<Newly Inserted by Act No. 11602, Jan. 1, 2013; Act No. 12847, Dec. 23, 2014; Act No. 14379, Dec. 20, 2016>*

(2) Each of the following persons shall be subject to an administrative fine not exceeding ten million won: *<Amended by Act No. 11121, Dec. 31, 2011; Act No. 13548, Dec. 15, 2015>*

1. A person who violates Articles 139 (including cases applicable mutatis mutandis in Article 146 (1)), 143 (1) (including cases applicable mutatis mutandis in Article 146 (1)), 152 (1), 155 (1), 156 (1), 159 (2), 160 (1), 161 (1), 186 (1) (including cases applicable mutatis mutandis in Article 205), 192 (including cases applicable mutatis mutandis in Article 205), 200 (1), 201 (1) or (3), 219 (2), or 266 (2);

2. A person who conducts work at any place, other than a bonded factory, bonded construction work site, general bonded area or designated factory without obtaining permission under Article 187 (1) (including cases applicable mutatis mutandis in Article 89 (5)) or Article 195 (1) or filing a report thereon under Article 202 (2).

(3) Each of the following persons shall be subject to an administrative fine not exceeding five million won: *<Amended by Act No. 15218, Dec. 19, 2017>*

1. A person who fails to report distribution track records or files a false report, in violation of Article 240-2 (1);

2. A person who fails to preserve books of account, in violation of Article 240-2 (2);
  3. A person who files an export declaration under Article 241 (1) without bringing goods into the place designated by the Commissioner of the Korea Customs Service, in violation of Article 243 (4).
- (4) Each of the following persons shall be subject to an administrative fine not exceeding two million won: <Amended by Act No. 10897, Jul. 25, 2011; Act No. 11121, Dec. 31, 2011; Act No. 16093, Dec. 31, 2018>
1. An operator who violates licensed matters for a licensed bonded area;
  2. A person who violates Article 38 (3), 83 (1), 107 (3), 140 (5), 157 (1), 158 (2) or (6), 172 (3), 194 (including cases applicable mutatis mutandis in Article 205), 198 (3), 199 (1), 202 (1), 214, 215 (including cases applicable mutatis mutandis in Articles 219 (4) and 221 (2)), 216 (2) (including cases applicable mutatis mutandis in Articles 219 (4) and 221 (2)), 221 (1), or 222 (3) or the latter part of Article 225 (1) or Article 251 (1);
  3. A person who directly imports goods and transfers the imported goods to a third party who intends to use such goods for the same purpose as an importer and is entitled to reduction or exemption from customs duties on such goods, among persons who violate Articles 83 (2), 88 (2), 97 (2), 102 (1), and 109 (1);
  4. A person who fails to submit a list of passengers or passenger reservation data in negligence, among those who violate Article 135 (1) or (2), or 137-2 (1);
  5. A person who violates measures taken by the Commissioner of the Korea Customs Service or the head of a customs office in accordance with Article 159 (6), 180 (3) (including cases applicable mutatis mutandis in Article 205), 196 (4), 216 (1) (including cases applicable mutatis mutandis in Articles 219 (4) and 221 (2)), 222 (4), 225 (2), 228 or 266 (3);
  6. A person who deals with goods by means of transportation, in violation of Article 321 (2) 2.
- (5) Each of the following persons shall be subject to an administrative fine not exceeding one million won: <Amended by Act No. 11121, Dec. 31, 2011; Act No. 11602, Jan. 1, 2013; Act No. 12159, Jan. 1, 2014; Act No. 13548, Dec. 15, 2015>
1. A person who compiles or submits a cargo manifest not in conformity with loaded goods: Provided, That where a person who submits a cargo manifest finds it impossible to verify details of the relevant loaded goods because any of the following persons has loaded and sealed the goods, the person who submits such cargo manifest shall be excluded herefrom:
    - (a) A person who falls under Article 276 (3) 1;
    - (b) A person who exports the loaded goods;
    - (c) Other shipping company, airline or cargo transportation broker;
  2. A person who fails to retain a declaration completion certificate, in violation of Article 12;
  3. A person who fails to file a declaration pursuant to Article 28 (2);
  4. A person who violates Articles 107 (4), 108 (2), 138 (2) or (4), subparagraph 2 of 141, 157-2, 162, 179 (2), 182 (1) (including cases applicable mutatis mutandis in Article 205), 183 (2) or (3), 184 (including cases applicable mutatis mutandis in Article 205), 185 (2) (including cases applicable mutatis

mutandis in Article 205), 245 (3) or 254-2 (2) or (3);

5. A person who fails to comply with an order issued by the head of a customs office under Article 160 (4) (including cases applicable mutatis mutandis in Article 207 (2));

6. A person who fails to comply with an order or supplementary measure issued by the head of a customs office under Article 177 (2) (including cases applicable mutatis mutandis in Article 205), 180 (4) (including cases applicable mutatis mutandis in Article 205) or 249;

7. A person that fails to comply with instructions issued by the head of a customs office with respect to supervision, inspection and report under Article 180 (1) (including cases applicable mutatis mutandis in Article 205) and (2) (including cases applicable mutatis mutandis in Article 89 (5)) or 203 (2).

(6) Administrative fines prescribed in paragraphs (1) through (5) shall be imposed and collected by the head of a customs office, as prescribed by Presidential Decree. *<Amended by Act No. 12159, Jan. 1, 2014; Act No. 16093, Dec. 31, 2018>*

#### **Article 277-2 (Receiving or Offering Money or Valuables)**

(1) If a customs officer receives money or valuables in connection with his/her duties, it shall be requested, in the processing of a disciplinary action, etc. under Article 82 of the State Public Officials Act, to adopt a resolution to impose a disciplinary additional charge not exceeding five times the value of the money or valuables received.

(2) Where a customs officer subject to a disciplinary action has received a criminal punishment or has fulfilled his/her obligation of compensation, etc. (including cases of confiscation or additional collection) under any other Act before or after a resolution to impose a disciplinary additional charge is adopted pursuant to paragraph (1), it shall be requested to the disciplinary committee to adopt a resolution to impose the reduced amount of the disciplinary additional charge or to reduce or exempt the disciplinary additional charge.

(3) Article 78 (4) of the State Public Officials Act shall apply mutatis mutandis to the request to adopt a resolution to impose a disciplinary additional charge under paragraph (1) or (2). In such cases, "request for a disciplinary resolution" shall be deemed "request for a resolution on the imposition of a disciplinary additional charge".

(4) When a person issued with a disposition of imposing a disciplinary additional charge under paragraph (1) fails to pay the additional charge by the payment deadline, the disciplinary authority may collect it in the same manner as delinquent national taxes are collected.

(5) The head of a customs office shall impose on a person who has offered money or valuables to a customs officer, an administrative fine between two to five times the corresponding amount of the relevant money or valuables: Provided, That no administrative fine shall be imposed if the relevant person has received a criminal punishment under any other Act such as the Criminal Act, and the imposition of an administrative fine shall be cancelled if the relevant person has received a criminal punishment after the administrative fine was imposed.

### **Article 278 (Partial Exclusion from Application of Provisions of the Criminal Act)**

The provisions governing restricted aggravation with respect to concurrent fines under Article 38 (1) 2 of the Criminal Act shall not apply to a person who commits an offense, in violation of the penalty provisions in this Act.

### **Article 279 (Joint Penalty Provisions)**

(1) If the representative of a corporation, or an agent, employee of, or any other person employed by a corporation or individual commits an offense applicable under penalty provisions (excluding an administrative fine under Article 277) prescribed in Chapter XI in connection with the business affairs of the corporation or individual, not only shall such offender be punished, but also the corporation or individual shall be punished by a fine under the relevant provisions: Provided, That this shall not apply where such corporation or individual has not been negligent in giving due attention and supervision concerning the relevant duties to prevent such offense.

(2) An individual referred to in paragraph (1) shall be limited to any of the following persons:

1. An operator of a licensed bonded area or a place of general bonded business;
2. A person who runs business of exports (including exports, etc. under Article 4 of the Act on Special Cases concerning the Refund of Customs Duties, etc. Levied on Raw Materials for Export), imports or transportation;
3. A licensed customs broker;
4. A person who runs business of supply of goods and services in an open port;
5. A business entity operating the Comprehensive Customs Duties Information Network of Korea under Article 327-2 (1) and an electronic document brokerage business entity under Article 327-3 (3).

**Articles 280 and 281 Deleted.** <by Act No. 9261, Dec. 26, 2008>

### **Article 282 (Forfeiture and Collection of Additional Collection)**

(1) In cases referred to in Article 269 (1), the relevant goods shall be forfeited.

(2) In cases referred to in Article 269 (2) or (3) or 274 (1) 1, goods possessed or occupied by any offender shall be forfeited: Provided, That in cases referred to in Article 269 (2), any of the following goods may not be forfeited: <Amended by Act No. 11602, Jan. 1, 2013>

1. Foreign goods shipped into a bonded area referred to in Article 154 after filing a declaration thereon in accordance with Article 157;
2. Foreign goods stored in a place, other than a bonded area by obtaining permission from the head of a customs office in accordance with Article 156.

(3) When all or some of goods subject to forfeiture under paragraphs (1) and (2) cannot be forfeited, an amount equivalent to the domestic wholesale price of the goods subject to forfeiture as at the time of offense shall be additionally collected from the offender: Provided, That a person who appraises goods under Article 269 (2) in Article 274 (1) 1 shall be excluded herefrom.

(4) An individual and a corporation under Article 279 shall be deemed an offender in the application of paragraphs (1) through (3).



### **Article 283 (Customs Offenders)**

- (1) A "customs offender" in this Act means a person who is criminally punished or subject to a disposition of notice under this Act for any violation of this Act or any order issued under this Act.
- (2) Any investigation into and any disposition against any customs offender shall be carried out and taken by customs officers.

### **Article 284 (Requirements for Indictment)**

- (1) No public prosecutor may indict any customs offender unless an accusation is filed against him/her by the Commissioner of the Korea Customs Service or the head of a customs office.
- (2) When other authorities find a case involving any customs offender or arrest any suspect, they shall immediately turn such case and such suspect over to the Commissioner of the Korea Customs Service or the head of a customs office.

### **Article 285 (Documents concerning Customs Offenders)**

Documents concerning customs offenders shall be dated, subscribed with names and affixed with seals.

### **Article 286 (Documents concerning Investigations and Disposition)**

- (1) Documents concerning the investigations into and disposition against customs offenders shall be affixed with a seal between two pages.
- (2) Any addition or deletion of letters or marginal notes shall be affixed with a seal thereon.
- (3) If letters are deleted, such letters shall be kept intact and the number of deleted letters shall be recorded.

### **Article 287 (Signature on Protocol)**

- (1) Where a document concerning any customs offender is subscribed with a name and affixed with a seal, if the principal is unable to subscribe his/her name and affix his/her seal, he/she may authorize another person to act for him/her in subscribing such name and affixing such seal. If the acting person fails to carry his/her seal, his/her thumb-mark shall be affixed.
- (2) If another person acts for the principal, the acting person shall subscribe his/her name and affix his/her seal, citing in writing reasons therefor.

### **Article 288 (Service of Documents)**

Any document concerning any customs offender shall be served by a person or by a registered mail.

### **Article 289 (Receipt Certificate at Time of Service of Documents)**

When any document concerning any customs offender is served, a receipt certificate thereof shall be collected.

### **Article 290 (Investigations of Customs Offenders)**

When a customs officer deems that a customs offender exists, he/she shall investigate such customs offender, the fact of offense and evidence thereon.

### **Article 291 (Investigations)**

A customs officer may, when deemed necessary, investigate any suspect, witness or person of reference.

### **Article 292 (Preparation of Protocol)**

- (1) Where a customs officer investigates any suspect, witness or person of reference, he/she shall prepare a protocol.
- (2) A customs officer shall read his/her protocol to a person delivering a statement, or permit the person to peruse such protocol so that he/she could ask the person whether the matters stated are accurate and correct.
- (3) If the person who delivers a statement requests any addition, deletion or revision, the customs officer in charge shall enter his/her statement in the protocol.
- (4) The date and place shall be entered in the protocol and the person falling under any of the following subparagraphs shall subscribe his/her name and affix his/her seal on such protocol:
  1. An investigator;
  2. A person delivering a statement;
  3. A participant.

### **Article 293 (Substitution for Protocol)**

- (1) When an emergency investigation of a flagrant offender is required, a statement summarizing such emergency investigation may substitute for a protocol.
- (2) The date and place shall be entered in the summary statement referred to in paragraph (1) and such summary statement shall be signed and sealed by both the investigator and the suspect.

### **Article 294 (Request for Appearance)**

- (1) When a customs officer deems it necessary to investigate a customs offender, he/she may request any suspect, witness or a person of reference to attend.
- (2) When deemed necessary to investigate a customs crime, a customs officer may issue an order for summoning any suspect, witness or a person of reference.
- (3) A subpoena shall be issued to request any suspect, witness or a person of reference to attend.

### **Article 295 (Judicial Police Power)**

Every customs officer may perform the duties of a judicial police officer with respect to a customs offender, as prescribed by the Act on the Persons Performing the Duties of Judicial Police Officials and the Scope of their Duties.

### **Article 296 (Warrant for Search and Seizure)**

- (1) A warrant shall be obtained from a judge of the competent local court to conduct a search or seizure under this Act: Provided, That in cases of urgency, an ex post facto warrant shall be issued.
- (2) Any goods voluntarily provided or abandoned by the owner, occupant or custodian thereof may be seized without a warrant.

### **Article 297 (Arrest of Flagrant Offender)**

When a customs officer finds a flagrant offender committing a customs offense, the customs officer shall immediately arrest him/her.

### **Article 298 (Transfer of Flagrant Offender)**

- (1) Anyone may arrest a flagrant offender committing a customs offense, if the latter is still at the scene of such offense.
- (2) A person who arrests any customs offender under paragraph (1) shall promptly turn him/her over to a customs officer.

### **Article 299 (Reversion of Seized Goods to National Treasury)**

- (1) With respect to goods seized in accordance with Articles 269, 270 (1) through (3) and 272 through 274, if the owner or any offender cannot be identified within six months from the date of seizure, such goods shall be deemed as lost goods and the head of a customs office concerned shall publish such goods as lost property.
- (2) When the owner or any offender remains unidentifiable until one year elapses from the date on which the publication under paragraph (1) was made, the relevant goods shall revert to the National Treasury.

### **Article 300 (Inspections and Searches)**

When a customs officer deems it necessary to investigate any customs offender, he/she may inspect or search any vessel, vehicle, aircraft, warehouse and other places.

### **Article 301 (Body Searches, etc.)**

- (1) When a suspect is deemed to keep goods sufficient to prove the fact of his/her offense on his/her body, a customs officer may request him/her to produce them. If the suspect refuses to comply with the request, such customs officer may search his/her body.
- (2) A frisk search of a female shall be conducted in the presence of an adult female.

### **Article 302 (Participation)**

- (1) When a customs officer conducts a search, he/she may require any of the following persons to participate: Provided, That where none of them is available, the customs officer shall require a public official to participate:
  1. The owner or custodian of any vessel, vehicle, aircraft, warehouse and other places;
  2. A relative residing together or an employee;
  3. A neighbor.
- (2) The persons referred to in paragraph (1) 2 and 3 shall be adults.

### **Article 303 (Seizure and Custody)**

- (1) When goods found in the course of investigating a customs offender are deemed sufficient to prove the offense and necessary to be forfeited, a customs officer may seize such goods.
- (2) Seized goods may be retained in custody, for convenience, by their owner or in the office of a Si/Gun/Eup/Myeon.
- (3) When seized goods fall under any of the following subparagraphs, the Commissioner of the Korea Customs Service or the head of a customs office may sell the seized goods and retain in custody or deposit proceeds therefrom after serving a notice thereon on the suspect or another interested person: Provided, That if there is no enough time to serve a notice, the notice shall be made after selling them:

1. Where they are feared to be decomposed or damaged or their expiration date could pass;
2. Where they are deemed extremely inconvenient for retaining them in custody;
3. Where they are feared to suffer a sharp fall in their commercial value due to a delay in a disposition;
4. Where the suspect or the interested person requests their sale.

(4) Articles 160 (5) and 326 shall apply mutatis mutandis to notices and sales under paragraph (3).

#### **Article 304 (Disposal of Seized Goods)**

(1) The Commissioner of the Korea Customs Service or the head of a customs office may dispose of any of the following seized goods after serving a notice thereon on the suspect or the interested person: Provided, That there is no enough time to serve the notice, such notice shall be served immediately after they are disposed:

1. Goods which are feared to harm human life or damage property;
2. Goods which have been decomposed or deteriorated;
3. Goods, the expiration date of which has passed;
4. Goods, the commercial value of which disappeared.

(2) Article 160 (5) shall apply mutatis mutandis to notices under paragraph (1).

#### **Article 305 (Compilation of Seizure Report, etc.)**

(1) A report shall be drawn up when any inspection, search or seizure is undertaken.

(2) Article 292 (2) and (3) shall apply mutatis mutandis to any inspection, search, or a seizure report referred to in paragraph (1).

(3) Article 293 shall apply mutatis mutandis to the compilation of a report with respect to the urgent search or seizure involving any flagrant offender.

#### **Article 306 (Restriction on Execution at Night)**

(1) No inspection, search or seizure shall be undertaken from sunset to sunrise: Provided, That this shall not apply to a flagrant offender.

(2) Any inspection, search or seizure, which have been already launched, may continue, notwithstanding paragraph (1).

#### **Article 307 (Off-Limits During Investigations)**

A customs officer may prohibit persons whoever they are from having access to a place where he/she is engaged in the investigation, inspection, search or seizure of a suspect, witness or a person of reference.

#### **Article 308 (Identification)**

(1) A customs officer shall wear his/her uniform when conducting an investigation, inspection, search or seizure and carry a certificate indicating his/her identification and produce it if requested to do so by a person subject to his/her disposition.

(2) Where a customs officer fails to wear his/her uniform pursuant to paragraph (1) or to produce his/her certificate upon request, a person subject to his/her disposition may refuse to comply with the disposition.

#### **Article 309 (Assistance of Police Officers)**

When deemed necessary in the course of conducting an investigation, inspection, search or seizure, a customs officer may seek assistance of national police officers.

#### **Article 310 (Report of Investigation Results)**

(1) A customs officer shall, upon the completion of his/her investigation, report the results thereof, in writing, to the Commissioner of the Korea Customs Service or the head of a customs office.

(2) When a customs officer files a report required under paragraph (1), he/she shall also submit related documents.

#### **Article 311 (Notification Disposition)**

(1) When the Commissioner of the Korea Customs Service or the head of a customs office obtains hard evidence proving any offense as a result of an investigation of a customs offender, he/she may notify the subject person to pay the following amount or to provide the following goods specifying reasons therefor, as prescribed by Presidential Decree: *<Amended by Act No. 13548, Dec. 15, 2015; Act No. 16093, Dec. 31, 2018>*

1. An amount equivalent to a fine;
2. Goods to be seized;
3. An amount equivalent to an additional collection charge.

(2) When a person subject to notification disposition referred to in paragraph (1) intends to prepay an amount equivalent to a fine or an additional collection charge, the Commissioner of the Korea Customs Service or the head of a customs office may permit him/her to do so.

(3) Where the notification disposition referred to in paragraph (1) is taken, the prescription of public prosecution shall be suspended.

(4) The criteria for imposition of an amount equivalent to a fine under paragraph (1) shall be prescribed by Presidential Decree. *<Newly Inserted by Act No. 13548, Dec. 15, 2015>*

(5) A person in receipt of a notification disposition under paragraph (1) may pay an amount due by credit card, debit card, etc. (hereafter referred to as "credit card, etc." in this Article) through an agency for payment of the amount of notification disposition prescribed by Presidential Decree. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(6) If payment is made by credit card, etc. pursuant to paragraph (5), the date on which the agency for payment of the amount of notification disposition grants approval shall be deemed the payment date. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

(7) Except as otherwise prescribed in paragraphs (5) and (6), detailed matters necessary to pay the amount due in accordance with a notification disposition by credit card, etc., such as the designation and operation of an agency for payment of the amount of notification disposition and charges for vicarious payment, shall be prescribed by Presidential Decree. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

#### **Article 312 (Immediate Accusation)**

The Commissioner of the Korea Customs Service or the head of a customs office shall immediately bring an accusation against an offender, if the existence of extenuating circumstances is deemed to lead the offender to be punished by imprisonment, notwithstanding Article 311 (1).

### **Article 313 (Return of Seized Goods)**

(1) When the Commissioner of the Korea Customs Service or the head of a customs office does not forfeit seized goods, he/she shall return such seized goods or proceeds from the sale of such seized goods.

(2) If it is impossible to return the seized goods or the proceeds from the sale of such seized goods as prescribed in paragraph (1) on the grounds that the address or residence of a person to whom such seized goods or proceeds from the sale of such seized goods belong are unidentifiable and for other reasons, a summary thereon shall be published.

(3) If no request is filed for the return of the seized goods or the proceeds from the sale of such seized goods until the expiration of six months from the date on which the publication referred to in paragraph (2) was made, such seized goods and the proceeds from the sale of such seized goods may revert to the National Treasury.

(4) If there exist unpaid customs duties on the seized goods referred to in paragraph (1), such seized goods or the proceeds from the sale of such seized goods shall be returned to a person to whom the seized goods belong after collecting such unpaid customs duties from him/her.

### **Article 314 (Preparation of Notices)**

(1) When the notice of disposition is taken, a notice shall be prepared.

(2) The notice referred to in paragraph (1) shall include the following matters and a person who takes a disposition thereon shall sign and seal thereon:

1. Name, age, sex, occupation and address of a person subject to a disposition;
2. An amount equivalent to a fine, goods to be forfeited or an amount equivalent to the additional collection charge;
3. Description of the offense;
4. Applicable provisions of the Acts;
5. Place to which the notice is to delivered;
6. Date of the notice of disposition.

### **Article 315 (Service of Notices)**

The notice of disposition shall be taken by serving a notice on a customs offender.

### **Article 316 (Failure to Comply with Notices and Accusation)**

A customs offender shall comply with a notice within 15 days from the date on which such notice was served on him/her and if he/she fails to comply with such notice, the Commissioner of the Korea Customs Service or the head of a customs office shall promptly bring an accusation against him/her: Provided, That this shall not apply where such customs offender complies with such notice prior to such accusation after the expiration of 15 days. <Amended by Act No. 11602, Jan. 1, 2013>

### **Article 317 (Prohibition against Double Jeopardy)**

Once any customs offender complies with any notice, he/she shall not be punished again for the same offense.

### **Article 318 (Accusation against Insolvent)**

In any of the following subparagraphs, the Commissioner of the Korea Customs Service and the head of a customs office shall immediately bring an accusation, notwithstanding Article 311 (1):

1. When a customs offender is deemed financially incapable of complying with any notice;
2. When deemed difficult to serve any notice on the grounds that the domicile and residence of a customs offender are unidentifiable, or for other reasons.

### **Article 319 (Application Mutatis Mutandis)**

The Criminal Procedure Act shall apply mutatis mutandis to any customs offender except as otherwise provided for in this Act.

### **Article 320 (Items of Additional Duties)**

Additional duties as prescribed in this Act shall be the items of the customs duties.

### **Article 321 (Office Hours of Customs Office and Handling Hours of Goods)**

(1) The office hours of every customs office and the hours during which goods are handled in bonded areas and any means of transportation shall be prescribed by Presidential Decree.

(2) Any of the following persons shall provide prior notice to the head of a customs office, as prescribed by Presidential Decree:

1. A person who intends to take procedures for a customs clearance, bonded transportation or an entry into or a departure from a port during off-duty hours of a customs office;
2. A person who intends to handle goods during off-duty hours.

(3) A person who provides the prior notice required under paragraph (2) shall pay fees, as determined by Ordinance of the Ministry of Strategy and Finance.

### **Article 322 (Compilation and Issuance of Statistics and Certificates)**

(1) The Commissioner of the Korea Customs Service shall compile statistics on the following matters and if a person applies for the perusal or issuance of such statistics, the Commissioner of the Korea Customs Service shall permit him/her to peruse the statistics or issue them to him/her:

1. Matters concerning exported or imported cargoes;
2. Matters concerning foreign trade vessels or foreign trade aircraft entering into or departing from ports;
3. Other matters deemed necessary by the Commissioner of the Korea Customs Service with regard to foreign trade.

(2) The Commissioner of the Korea Customs Service may compile statistics pursuant to paragraph (1) and periodically publish such statistics, as prescribed by Presidential Decree.

(3) A person who intends to peruse detailed statistical data pertaining to customs clearance, other than the statistics referred to in paragraph (1), or to have such detailed statistical data issued may file an application by specifying the purpose and details of the use with the Commissioner of the Korea Customs Service. In such cases, the Commissioner of the Korea Customs Service shall permit him/her to peruse such detailed statistical data or issue it to him/her, except as otherwise prescribed by Presidential Decree.

(4) The Commissioner of the Korea Customs Service may record and issue the statistics and the detailed statistical data compiled under paragraphs (1) and (3) in an electronically-processible medium of transmission or using electronic data-processing equipment to the public. In such cases, the scope of statistics that can be issued to the public and procedures therefor shall be determined by the Commissioner of the Korea Customs Service.

(5) The Commissioner of the Korea Customs Service may designate a person to perform the affairs of compiling and issuing the statistics (hereafter referred to as "agency" in this Article) in accordance with paragraphs (1), (3) and (4) on behalf of himself/herself. In such cases, the Commissioner of the Korea Customs Service shall provide the agency with basic data needed to compile the statistics. *<Amended by Act No. 11121, Dec. 31, 2011>*

(6) A person who intends to obtain a certificate related to customs affairs and receive the statistics referred to in paragraphs (1), (3) and (4) shall pay fees to the Commissioner of the Korea Customs Service, as determined by Ordinance of the Ministry of Strategy and Finance: Provided, That if the agency performs such affairs pursuant to paragraph (5), he/she shall pay to fees determined by the agency to the agency. *<Amended by Act No. 11121, Dec. 31, 2011>*

(7) Where the agency determines fees pursuant to the proviso to paragraph (6), it shall obtain an approval of the Commissioner of the Korea Customs Service, as determined by Ordinance of the Ministry of Strategy and Finance. The same shall also apply to any modifications to the approved matters. *<Newly Inserted by Act No. 11121, Dec. 31, 2011>*

(8) Where the agency collects fees pursuant to proviso to paragraph (6), such profit shall belong to that of the relevant agency. *<Newly Inserted by Act No. 11121, Dec. 31, 2011>*

(9) Any certificate pertaining to the export, import or the return of goods among certificates referred to in paragraph (6) shall be issued only within five years from the date on which a declaration thereon is accepted.

### **Article 323 (Utilization of Customhouse Facilities)**

A person who intends to utilize customhouse facilities built for long-term storing of goods or customs clearance shall pay user fees determined by Ordinance of the Ministry of Strategy and Finance.

### **Article 324 (Rewards)**

(1) The Commissioner of the Korea Customs Service may reward any of the following persons, as prescribed by Presidential Decree:

1. A person who informs any customs office or any investigation authority on a customs offender falling under Articles 269 through 271, 274, 275-2, or 275-3 or is credited with arresting such customs offender;
2. A person who contributes to seizing goods related to customs offenses falling under Articles 269 through 274;
3. A person who contributes to collecting additional customs duties, internal taxes, etc. by the head of a customs office pursuant to this Act or other Acts;



4. A person who specially contributes to improving and developing tariff administration.

(2) The Commissioner of the Korea Customs Service may give a reward not exceeding one billion won to a person who provides information on hidden property of a person who defaults on his/her duty payment, as prescribed by Presidential Decree: Provided, That if the amount collected with the information on hidden property does not reach the amount prescribed by Presidential Decree, or if a public official reports the information on such property in connection with his/her duties, no reward shall be granted. <Amended by Act No. 11602, Jan. 1, 2013>

(3) "Hidden property" in paragraph (2) means cash, deposit, stock, or any other tangible or intangible asset with value as property hidden by a person who defaults in his/her duty payment: Provided, That any of the following property shall be excluded herefrom:

1. Property against which a lawsuit seeking cancellation of a fraudulent act under Article 30 of the National Tax Collect Act is pending;
2. Property against which an investigation or a disposition on default has already been initiated by a customs officer, with knowledge of the existence of such hidden property;
3. Any other property prescribed by Presidential Decree as deemed unnecessary to receive any information about assets hidden by a person who defaults on his/her duty payment.

(4) Information about hidden property under paragraph (2) shall be reported in writing with a signature or a seal by the informant with his/her name and address written thereon.

#### **Article 325 (Provision of Conveniences)**

A person who is engaged in transporting, storing or handling goods under this Act shall provide every convenience to a customs officer when the customs officer performs his/her duties.

#### **Article 326 (Disposition of Forfeited Goods, etc.)**

(1) The head of a customs office may dispose of goods forfeited or reverted to the National Treasury in accordance with this Act (hereinafter referred to as "forfeited goods, etc.") by a public auction or any other means.

(2) Article 210 shall apply mutatis mutandis to the public auction of the forfeited goods, etc.: Provided, That goods prescribed by the Commissioner of the Korea Customs Service may be sold via a free contract or a consignment sale instead of competitive bidding.

(3) The head of a customs office shall dispose of the forfeited goods, etc. which satisfy the standards prescribed by the Commissioner of the Korea Customs Service according to instructions determined by the Commissioner of the Korea Customs Service.

(4) With respect to the forfeited goods, etc. the head of a customshouse may pay expenses incurred in their storage and management prior to their forfeiture or reversion to the National Treasury within the limit of the amount prescribed by Presidential Decree.

(5) The head of a customs office may pay expenses incurred in the sale, storage and management referred to in paragraph (4) of the forfeited goods, etc. from proceeds from the sale of such goods.

(6) Where the forfeited goods, etc. are agricultural products, notwithstanding paragraph (1), and if the Minister of Agriculture, Food and Rural Affairs makes a request for the purpose of adjusting a demand and supply and stabilizing the price thereof in domestic markets, the head of a customs office may transfer the forfeited goods, etc. to the Minister of Agriculture, Food and Rural Affairs, as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013>*

(7) Where necessary for optimal management of goods for a consignment sale under paragraph (2), the Commissioner of the Korea Customs Service or the head of a customs office may require the agency selling them on a consignment basis to report the management status of the goods, including the status of sales and inventory to him/her or order to present related books of account and documents. In such cases, the reporting methods and procedures and other necessary matters shall be determined by the Commissioner of the Korea Customs Service. *<Newly Inserted by Act No. 16093, Dec. 31, 2018>*

### **Article 327 (Construction and Operation of Comprehensive Customs Duties Information Network of Korea)**

(1) The Commissioner of the Korea Customs Service may construct and operate the Comprehensive Customs Duties Information Network of Korea (hereinafter referred to as the "Comprehensive Customs Duties Information Network of Korea") concerning electronic data-processing equipment and database to promote convenience of the electronic customs clearance and to seek the facilitation of exports and imports and the safety of trade through exchanges of the customs information with foreign customs.

(2) The head of a customs office may require a person to declare, apply, report, pay, etc. under this Act and to apply for the certification and confirmation of goods requiring permission, approval or fulfillment of other conditions under statutes (hereinafter referred to as "electronic declaration, etc.") by using electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea, as determined by the Commissioner of the Korea Customs Service.

(3) The head of a customs office may deliver, inform on, notify of, etc. (hereinafter referred to as "electronic delivery") approval, permission, acceptance, etc. of electronic declarations, etc. by using electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea, as determined by the Commissioner of the Korea Customs Service.

(4) When an electronic declaration, etc. is filed, the related documents may be presented through the electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea, or their submission may be omitted or simplified, as determined by the Commissioner of the Korea Customs Service.

(5) An electronic declaration, etc. filed pursuant to paragraph (2) shall be deemed to have been accepted by a customs office when such electronic declaration, etc. is stored in electronic data-processing equipment determined by the Commissioner of the Korea Customs Service and the electronic delivery shall be deemed to have been made to a person entitled to taking such delivery when the electronic delivery is input in the computer designated by the person entitled to taking the delivery (when the electronic delivery is stored in the electronic data-processing equipment of the Comprehensive Customs

Duties Information Network of Korea in cases where such electronic delivery is stored in such electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea, as determined by the Commissioner of the Korea Customs Service).

(6) The electronic delivery shall be made only when a person entitled to taking such delivery applies for such electronic delivery, as prescribed by Presidential Decree.

(7) Notwithstanding paragraph (6), if the electronic data-processing equipment of the Comprehensive Customs Duties Information Network of Korea breaks down or the grounds prescribed by Presidential Decree exist, such electronic delivery may be made by means of delivery, a person or mail.

(8) Necessary matters concerning the specific scope and methods of the electronic delivery pursuant to paragraph (6) shall be prescribed by Presidential Decree.

#### **Article 327-2 (Designation, etc. of Business Entities Operating Comprehensive Customs Duties Information Network of Korea)**

(1) The Commissioner of the Korea Customs Service may designate any person that operates all or some of the Comprehensive Customs Duties Information Network of Korea (hereinafter referred to as "business entity operating the Comprehensive Customs Duties Information Network of Korea") pursuant to the standards and procedures prescribed by Presidential Decree for the efficient operation of the Comprehensive Customs Duties Information Network of Korea.

(2) No person falling under any of the following subparagraphs may be designated as provided for in paragraph (1): *<Amended by Act No. 16093, Dec. 31, 2018>*

1. A person falling under any of subparagraphs 2 through 5 of Article 175;
2. A person for whom two years have not elapsed from the date on which the designation of his/her business was revoked (excluding cases where the designation was revoked by falling under subparagraph 2 or 3 of Article 175) pursuant to paragraph (4);
3. A corporation of which a person falling under subparagraph 1 or 2 holds office as its executive officer.

(3) The Commissioner of the Korea Customs Service may subsidize funds that are necessary for its operation to a business entity operating the Comprehensive Customs Duties Information Network of Korea if necessary for the efficient operation of the Comprehensive Customs Duties Information Network of Korea.

(4) Where a business entity operating the Comprehensive Customs Duties Information Network of Korea designated pursuant to paragraph (1) falls under any of the following subparagraphs, the Commissioner of the Korea Customs Office may revoke the designation or order a complete or partial suspension of the operation of the Comprehensive Customs Duties Information Network of Korea within a prescribed period not exceeding one year: Provided, That where the business entity falls under subparagraph 1 or 2, the designation thereof shall be revoked: *<Amended by Act No. 12159, Jan. 1, 2014; Act No. 16093, Dec. 31, 2018>*

1. Where he/she falls under any subparagraph of paragraph (2): Provided, That this shall not apply to cases falling under paragraph (2) 3, where a corporation which has a person falling under subparagraph

- 2 or 3 of Article 175 as its executive officer replaces the relevant executive officer within three months;
  2. Where he/she has been designated pursuant to paragraph (1) by fraud or other improper means;
  3. Where he/she fails to meet the standards under paragraph (1);
  4. Where he/she fails to comply with the guidance or supervision of the Commissioner of the Korea Customs Service pursuant to paragraph (7);
  5. Where any confidential information of electronic documents and any confidence related thereto learned while conducting his/her duties is divulged or used by stealth, in violation of Article 327-4 (3).
- (5) Where the suspension of business under paragraph (4) is likely to cause serious inconvenience to its users or to harm public interests, the Commissioner of the Korea Customs Service may impose a penalty surcharge not exceeding 100 million won in lieu of the disposition of the suspension of the business. In such cases, matters regarding the amount of a penalty surcharge, etc. according to the kind, gravity, etc. of an offense on which a penalty surcharge is imposed shall be prescribed by Presidential Decree.
- (6) Where a person liable to pay a penalty surcharge pursuant to paragraph (5) fails to pay it by the payment deadline, Article 26 shall apply mutatis mutandis thereto.
- (7) For the stable operation of the Comprehensive Customs Duties Information Network of Korea, the Commissioner of the Korea Customs Service may require a business entity operating the Comprehensive Customs Duties Information Network of Korea to submit an annual report on the important matters concerning its business performance or related books and documents. In such cases, necessary matters such as reporting methods and procedures shall be determined by the Commissioner of the Korea Customs Service. <Amended by Act No. 16093, Dec. 31, 2018>

**Article 327-3 (Designation, etc. of Electronic Document Brokerage Business Entities, etc.)**

- (1) A person that runs a telecommunications business in accordance with subparagraph 8 of Article 2 of the Telecommunications Business Act and who intends to run the electronic declaration, etc. and electronic delivery brokerage (hereinafter referred to as "electronic document brokerage") shall have his/her intended business designated by the Commissioner of the Korea Customs Service according to the standards and procedures prescribed by Presidential Decree.
- (2) No person falling under any of the following subparagraphs may be designated as prescribed in paragraph (1): <Amended by Act No. 16093, Dec. 31, 2018>
1. A person that falls under any of subparagraphs 2 through 5 of Article 175;
  2. A person for whom two years have not elapsed from the date on which the designation of his/her business was revoked (excluding cases where the designation was revoked by falling under subparagraph 2 or 3 of Article 175) in accordance with paragraph (3);
  3. A corporation that employs a person falling under subparagraph 1 or 2 as its executive officer.
- (3) Where a person that has had his/her business designated under paragraph (1) (hereinafter referred to as "electronic document brokerage business entity") falls under any of the following subparagraphs, the Commissioner of the Korea Customs Service may revoke the designation thereof or order his/her electronic document brokerage suspended in whole or in part for a fixed period of not more than one year:

Provided, That where such person falls under subparagraph 2 or 3, the designation thereof shall be revoked: <Amended by Act No. 12159, Jan. 1, 2014; Act No. 16093, Dec. 31, 2018>

1. Where he/she falls under any subparagraph of paragraph (2): Provided, That this shall not apply to cases falling under paragraph (2) 3, where a corporation which has a person falling under subparagraph 2 or 3 of Article 175 as its executive officer replaces the relevant executive officer within three months;
  2. Where he/she has been designated under paragraph (1) by fraud or other improper means;
  3. Where he/she fails to meet the standards provided for in paragraph (1);
  4. Where he/she fails to comply with the guidance or supervision of the Commissioner of the Korea Customs Service pursuant to paragraph (7);
  5. Where any confidential information of electronic documents and any confidence related thereto learned while conducting his/her duties is divulged or used by stealth, in violation of Article 327-4 (3).
- (4) Where the suspension of electronic document brokerage under paragraph (3) causes significant inconvenience to its users or is feared to harm the public interest, the Commissioner of the Korea Customs Service may impose a penalty surcharge not exceeding 100 million won in lieu of the disposition taken to suspend the electronic document brokerage. In such cases, matters regarding the amount of a penalty surcharge according to the kind, gravity, etc. of an offense on which a penalty surcharge is imposed shall be prescribed by Presidential Decree.
- (5) Where a person that is liable to pay a penalty surcharge under paragraph (4) fails to pay it by the payment deadline, Article 26 shall apply mutatis mutandis thereto.
- (6) Any electronic document brokerage business entity may impose necessary charges, including fees, as determined by Ordinance of the Ministry of Strategy and Finance, on a person who is provided with the electronic document brokerage service.
- (7) Article 327-2 (7) shall apply mutatis mutandis to the necessary matters such as reporting related to the guidance and supervision of electronic document brokerage business entities by the Commissioner of the Korea Customs Service. In such cases, "the Comprehensive Customs Duties Information Network of Korea" shall be construed as "electronic document brokerage business"; and "business entity operating the Comprehensive Customs Duties Information Network of Korea" shall be construed as "electronic document brokerage business entity". <Amended by Act No. 16093, Dec. 31, 2018>

**Article 327-4 (Security of Relevant Information, including Electronic Documents, etc.)**

- (1) No person shall forge or alter relevant information, including electronic documents, etc. stored in the Comprehensive Customs Duties Information Network of Korea or electronic data processing equipment of any electronic document brokerage business entity; or use such forged or altered information.
- (2) No person shall damage relevant information, including electronic documents, etc. stored in the Comprehensive Customs Duties Information Network of Korea or electronic data-processing equipment of any electronic document brokerage business entity; or infringe on the confidentiality thereof.
- (3) No current or former executive officer or employee of any business entity operating the Comprehensive Customs Duties Information Network of Korea or any electronic document brokerage

business entity, shall divulge or illegally use confidential electronic documents and the relevant information that he/she has become aware of while performing his/her business affairs.

(4) Deleted. <by Act No. 14379, Dec. 20, 2016>

#### **Article 327-5 (Standards for Electronic Documents)**

The Commissioner of the Korea Customs Service may determine standards for electronic documents concerning the electronic declaration, etc. and electronic service for the efficient exchanges of the customs information among countries pursuant to Article 240-6, in consideration of the matters prescribed by international organizations, including but not limited to the World Customs Organization. <Amended by Act No. 15218, Dec. 19, 2017>

#### **Article 328 (Hearings)**

The head of a customs office shall hold a hearing to take any of the following dispositions: <Amended by Act No. 11121, Dec. 31, 2011; Act No. 12847, Dec. 23, 2014; Act No. 15218, Dec. 19, 2017; Act No. 16093, Dec. 31, 2018>

1. Revocation of the designation of a self-managed bonded area under Article 164 (6);
2. Revocation of the registration and suspension of business of a bonded goods caretaker under Article 165 (4);
3. Revocation of the designation of a designated bonded area under Article 167;
4. Revocation of the designation of a cargo manager under Article 172 (6);
5. Suspension of shipment, etc. of goods and revocation of a license granted to an operator under Article 178 (1) and (2);
6. Revocation of the designation of a general bonded area under Article 204 (1);
7. Suspension of the operation of a general bonded function under Article 204 (2);
- 7-2. Shutdown of a place of general bonded business under Article 204 (3);
8. Revocation of the registration and suspension of business of a bonded transportation business entity, etc. under Article 224 (1);
9. Revocation of the accreditation of an AEO under Article 255-2 (5);
10. Revocation of the designation of a business entity operating the Comprehensive Customs Duties Information Network of Korea under Article 327-2 (4), and an electronic document brokerage business entity under Article 327-3 (3) and suspension of all or some of its business or affairs.

#### **Article 329 (Delegation, Entrustment, etc. of Authority)**

(1) The Commissioner of the Korea Customs Service or the head of a customs office may partially delegate his/her authority under this Act to the head of a customs office or to the heads of other agencies, as prescribed by Presidential Decree.

(2) The head of a customs office may entrust his/her authority provided for in Articles 257 through 259 to the head of a postal service office, as prescribed by Presidential Decree.

(3) The head of a customs office may entrust his/her authority provided for in Articles 157, 158 (2), 159 (2), 165 (2), 209, 213 (2) (limited to the receipt of a declaration on bonded transportation) and (3), 215,

222 (1) 1 and 246 (1) to any of the following persons, as prescribed by Presidential Decree:

1. A non-profit corporation established to maintain order in customs clearances and efficiently manage export and import cargoes;
2. A cargo manager;
3. An operator;
4. A bonded transportation business entity registered pursuant to Article 222.

(4) The Commissioner of the Korea Customs Service may partially entrust his/her affairs concerning reporting on intellectual property rights (limited to the receipt of a report and requests for supplementation thereof) referred to in Article 235 (2), as prescribed by Presidential Decree, to organizations related to the protection of intellectual property rights. In such cases, the Commissioner of the Korea Customs Service may subsidize expenses incurred in conducting the entrusted affairs within budgetary limits.

(5) The Commissioner of the Korea Customs Service or the head of a customs office may entrust to a corporation or organization prescribed by Presidential Decree, part of his/her duties concerning the inspection, etc. of goods, means of transportation, etc. referred to in Article 265 (limited to the duties concerning the inspection, etc. of personal effects of persons entering or departing from an open port and transportation means used by persons entering or departing from an open port), as prescribed by Presidential Decree. In such cases, the Commissioner of the Korea Customs Service or the head of the relevant customs office may subsidize expenses necessary to perform the entrusted duties, within budgetary limits. *<Newly Inserted by Act No. 15218, Dec. 19, 2017>*

#### **Article 330 (Persons Deemed to Be Public Officials for Purposes of Penalty Provisions)**

For the purposes of Articles 127 and 129 through 132 of the Criminal Act, any of the following persons shall be deemed a public official: *<Amended by Act No. 15218, Dec. 19, 2017; Act No. 16093, Dec. 31, 2018>*

1. A person acting as a sale agent under Article 208 (4);
2. A person engaged in the affairs entrusted under Article 233-2 (2);
3. A person who validates whether the standards for the safety and security management program are met under the latter part of Article 255-2 (2);
4. A person acting as an agency under Article 322 (5);
5. A business entity operating the Comprehensive Customs Duties Information Network of Korea under Article 327-2 (1);
6. An electronic document brokerage business entity under Article 327-3 (3);
7. A person engaged in the affairs entrusted under Article 329 (2) through and (5);
8. A person who is not a public official among the members of the following committees:
  - (a) A customs duties arrearages adjustment committee established under Article 45 (1);
  - (b) The Tariff Classification Committee established under Article 85 (2);
  - (c) The Customs Information Disclosure Deliberative Committee established under Article 116-2 (2);
  - (d) The Customs Appeal Committee established under Article 124 (1);

- (e) A disciplinary committee for bonded goods caretakers established under Article 165-3;
- (f) The Committee for Deliberation on Licensing of Bonded Stores established under Article 176-3 (1);
- (g) The Committee for Operation of Bonded Store System established under Article 176-4;
- (h) The Origin Verification Committee established under Article 232-3 (1).

## ADDENDA

### **Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2001.

### **Article 2 (Applicability)**

- (1) The amended provisions of Article 8 (4) shall apply to the first declarations or reports filed on and after this Act enters into force.
- (2) The amended provisions of Articles 9 (1) 3, 19 (1) 1, 41, 42, 88 through 96, 99, a, 102, 249, 251 (1) (proviso) and 254 shall apply to the first export or import or return declaration filed and the first duty assessment notices served on and after this Act enters into force.
- (3) The amended provisions of Articles 39 (1) 5 and 253 shall apply to the first immediate shipment declarations filed on and after this Act enters into force.
- (4) The amended provisions of Articles 40 and 118 shall apply to the first customs duties collected on and after this Act enters into force.
- (5) The amended provisions of Article 117 shall apply to the first goods stored on and after this Act enters into force.

### **Article 3 (General Transitional Measures)**

Any disposition taken, any procedure followed and any act performed in accordance with the previous provisions at the time that this Act enters into force shall be deemed to be taken, followed and performed in accordance with the provisions of this Act.

### **Article 4 (Transitional Measures concerning Period for Application for Rectification)**

The amended provisions of Article 38 (4) shall apply to the rectification of customs duties amount in the event that one year does not expire from the date on which a declaration for duty payment is filed at the time that this Act enters into force.

### **Article 5 (Transitional Measures concerning Licensed Bonded Area)**

- (1) Any person who has obtained a license on the establishment and operation of a licensed bonded storage place under the previous provisions shall be deemed to have obtained a license on the establishment and operation of a bonded warehouse pursuant to the amended provisions of Article 183.
- (2) Any person who has obtained a license on the establishment and operation of a special bonded factory under the previous provisions shall be deemed to have obtained a license on the establishment and operation of a bonded factory pursuant to the amended provisions of Article 185.



#### **Article 6 (Transitional Measures concerning Penalty Provisions)**

The application of the penalty provisions to any acts committed before this Act enters into force shall be governed by the previous provisions.

#### **Article 7 Omitted.**

#### **Article 8 (Relationships to Other Statutes)**

In the event that statutes cite the previous Customs Act and its provisions at the time this Act enters into force and any provisions of this Act fall under such cited provisions, this Act or the relevant provisions shall be deemed to have been cited in lieu of the previous provisions.

ADDENDA <Act No. 6705, Aug. 26, 2002>

#### **Article 1 (Enforcement Date)**

This Act shall enter into force three months after the date of its promulgation.

#### **Articles 2 through 4 Omitted.**

ADDENDA <Act No. 6777, Dec. 18, 2002>

#### **Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2003.

#### **Article 2 (Applicability)**

- (1) The amended provisions of Articles 38 (3) and 42 (2) shall apply to the portion of any amended declaration filed on and after this Act enters into force.
- (2) The amended provisions of Article 185 (4) shall apply to goods shipped into any bonded factory for their use therein after getting through customs clearance on and after this Act enters into force.
- (3) The amended provisions of Articles 241 (3) and 243 (1) shall apply to the first goods shipped into any designated storage place or any bonded warehouse or stored in a place that is not a bonded area on and after this Act enters into force.

#### **Article 3 (Transitional Measures concerning Administrative Disposition)**

The application of any administrative disposition to any act performed before this Act enters into force shall be governed by the previous provisions.

#### **Article 4 (Transitional Measures concerning Digital Document Brokerage Business Entity)**

Any person who conducts the digital document brokerage under the amended provisions of Article 327-2 (1) at the time this Act enters into force may continue to conduct his/her digital document brokerage until three months after the date this Act enters into force, notwithstanding the amended provisions of Article 327-2.

#### **Article 5 (Transitional Measures concerning Penalty Provisions)**

The application of the penalty provisions to any act performed before this Act enters into force shall be governed by the previous provisions.

ADDENDA <Act No. 7009, Dec. 30, 2003>

**Article 1 (Enforcement Date)**

This Act shall enter into force three months after the date of its promulgation.

**Article 2 (General Applicability)**

This Act shall apply to the portion of import declarations on and after this Act enters into force.

**Article 3 (Applicability to Surcharges)**

The amended provisions of Article 41 (1) shall apply to the import declarations or imposition notices on and after this Act enters into force.

**Article 4 (Applicability to Refund of Customs Duties for Goods Different from Contents of Contract)**

(1) The amended provisions of Article 106 (1) shall apply to the portion that is carried into bonded factories on and after this Act enters into force.

(2) The amended provisions of Article 106 (6) shall apply to the applications for the refund on and after this Act enters into force.

**Article 5 (Applicability to Carry-Out of Goods for Which Import Declaration is Accepted)**

The amended provisions of Article 157-2 shall apply to the import declarations accepted on and after this Act enters into force.

**Article 6 (Applicability to Refund of Customs Duties, etc. for Goods Sold in General Bonded Area)**

The amended provisions of Article 199-2 shall apply to the sale in the general bonded areas on and after this Act enters into force.

**Article 7 (Applicability to Disposal of Forfeited Goods, etc.)**

The amended provisions of Article 326 (6) shall apply to the goods that are forfeited or reverted to the National Treasury on and after this Act enters into force.

**Article 8 (Transitional Measures concerning Penalty Provisions, etc.)**

The previous provisions shall govern the applications of penalty provisions or administrative fines to the acts committed prior to the enforcement of this Act.

ADDENDA <Act No. 7222, Oct. 5, 2004>

(1) (Enforcement Date) This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 9 (3) shall enter into force one month after the date of its promulgation.

(2) (Applicability to Payment Time Limit of Customs Duties) The amended provisions of Article 9 (3) shall apply to the portion of the duty amount for which the payment time limit pursuant to the provisions of Article 9 (1) 1 and 3 arrives in the month whereto belongs the enforcement date.

(3) (Applicability to Period for Keeping Reporting Documents) The amended provisions of Article 12 shall apply to the portion reported or submitted on and after the enforcement of this Act.

(4) (Applicability to Revision) The amended provisions of Article 38-2 (5) (proviso) shall apply to the portion applied for a revision with respect to the shortage of duty amount on and after the enforcement of this

Act.  
(5) (Applicability to Objection) The amended provisions of the latter part of Article 132 (1) shall apply to the portion of the notice mailed with respect to the decided matters or the duty amount as referred to in Article 259 (1) on and after the enforcement of this Act.

ADDENDA <Act No. 7581, Jul. 13, 2005>

- (1) (Enforcement Date) This Act shall enter into force on the date of its promulgation.  
(2) (Transitional Measures concerning Extinctive Prescription of Right to Request Refund of Customs Duties) With respect to any right to request the refund of customs duties already established at the time this Act enters into force and the extinctive prescription of which has yet to be completed according to the previous provisions, the amended provisions of Article 22 (2) shall apply.

ADDENDA <Act No. 7849, Feb. 21, 2006>

**Article 1 (Enforcement Date)**

This Act shall enter into force on July 1, 2006. (Proviso Omitted.)

**Articles 2 through 41 Omitted.**

ADDENDA <Act No. 7887, Mar. 24, 2006>

**Article 1 (Enforcement Date)**

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 116-2 shall enter into force on January 1, 2007.

**Article 2 (Applicability to Additional Duties)**

The amended provisions of Article 42 shall apply to the amended declaration or duty payment notice filed on and after this Act enters into force.

**Article 3 (Applicability to Modification and Application of Tariff Classification Applicable to Specific Goods)**

- (1) The amended provisions of Article 87 (3) shall apply to the application for an advance ruling on tariff classification filed on and after this Act enters into force, or with the goods imported on and after this Act enters into force, on which the Commissioner of Korea Customs Service determines the tariff classification ex officio.  
(2) The amended provisions of Article 87 (4) shall apply to the goods that have been accepted for the declaration of export or import on and after this Act enters into force.

**Article 4 (Applicability to Storage Period of Goods in Licensed Bonded Area)**

The amended provisions of Article 177 (1) 1 (b) shall apply to goods that are stored in the bonded warehouse in the licensed bonded area on and after this Act enters into force.

**Article 5 (Applicability to Declaration of Export, Import or Return)**

The amended provisions of Article 241 (5) 1 shall apply to the portion of duties on or after this Act enters into force.

**Article 6 (Transitional Measures concerning Goods whose Final Value Declaration Not Filed following Provisional Value Declaration)**

The amended provisions of Article 28 (3) and (4) shall apply to those whose final value pursuant to paragraph (2) of the same Article has not been filed within the reporting period since the provisional value declaration thereof was filed pursuant to paragraph (1) of the same Article before this Act enters into force.

**Article 7 (Transitional Measures concerning Storage Period in General Bonded Area)**

The amended provisions of the proviso to Article 200 (2) shall apply to the goods stored in a general bonded area before this Act enters into force. In such cases, the initial date in the reckoning of the storage period of the relevant goods shall be the date this Act enters into force.

ADDENDA <Act No. 8050, Oct. 4, 2006>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2007. (Proviso Omitted.)

**Articles 2 through 12 Omitted.**

ADDENDA <Act No. 8136, Dec. 30, 2006>

**Article 1 (Enforcement Date)**

This Act shall enter into force on April 1, 2007: Provided, That the amended provisions of attached Table shall enter into force on January 1, 2007.

**Article 2 (Applicability to Postal Matters)**

The amended provisions of subparagraph 8 of Article 16 shall be applicable to postal matters declared on and after this Act enters into force.

**Article 3 (Applicability to the Grace Period for Disposition on Default and Suspension of Prescription during Proceedings of Lawsuit Seeking Cancellation of Fraudulent Act)**

The amended provisions of Article 23 (3) shall be applicable to cases for which a disposition on default is suspended or a lawsuit seeking cancellation of a fraudulent act is filed on and after this Act enters into force.

**Article 4 (Applicability to Time Period for Examination of Legality Prior to Duty Assessment)**

The amended provisions of the main sentence of Article 118 (2) shall also be applicable to the cases of which a notice has been delivered before this Act enters into force.

**Article 5 (Applicability to Time Period for Decision on Request for Examination)**

The amended provisions of the main sentence of Article 128 (2) shall be applicable to cases for which a request for examination is filed on and after this Act enters into force.

**Article 6 (Applicability to Vehicles Crossing National Borders)**

The amended provisions of Articles 149 (3) and (4), 150 (3) and (4), 151-2, 151-3, and 152 shall be applicable to vehicles that cross national borders on and after this Act enters into force.

**Article 7 (Applicability to Declarations of Export, Import, and Return)**

The amended provisions of Article 241 (6) shall be applicable to cases for which a declaration is filed on and after this Act enters into force.

**Article 8 (Applicability to Rewards for Information regarding Hidden Assets)**

The amended provisions of Article 324 (2) through (4) shall be applicable to information reported about hidden assets on and after this Act enters into force.

**Article 9 (Applicability to Tariff Schedule)**

The amended provisions of attached Table shall be applicable to imports declared on and after January 1, 2007.

**Article 10 (Transitional Measures concerning Registration of Bonded Transportation Business Entities, etc.)**

Persons who are engaged in loading and unloading the vehicles crossing national borders or similar as at the time this Act enters into force shall be deemed to have been registered in accordance with the amended provisions of Article 222: Provided, That they shall renew such registration by no later than June 30, 2007.

ADDENDA <Act No. 8356, Apr. 11, 2007>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 7 Omitted.**

ADDENDA <Act No. 8367, Apr. 11, 2007>

**Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation.

**Articles 2 through 6 Omitted.**

ADDENDA <Act No. 8833, Dec. 31, 2007>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2008.

**Article 2 (Applicability to Advance Rulings on Method for Determining customs value)**

The amended provisions of Article 37 (2) and (3) shall apply to the portion that is applied on and after this Act enters into force.

**Article 3 (Applicability to Refund of Customs Duties for Goods, etc. Different from Contents of Contract)**

The amended provisions of Article 106 (1) 2 shall apply to goods for which an import declaration is filed on and after this Act enters into force.

**Article 4 (Applicability to Determination of Dutiable Goods in Assessment of Customs Duties on Raw Materials)**

The amended provisions of Article 189 (1) shall apply to goods that are reported for use on and after this Act enters into force.

ADDENDA <Act No. 8852, Feb. 29, 2008>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 7 Omitted.**

ADDENDA <Act No. 8860, Feb. 29, 2008>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 6 Omitted.**

ADDENDA <Act No. 9261, Dec. 26, 2008>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2009: Provided, That the amended provisions of Articles 137-2, 254-2 and 277 shall enter into force on April 1, 2009 and the amended provisions of the proviso to Article 93 shall enter into force on January 1, 2010.

**Article 2 (General Applicability)**

This Act shall apply to the import declaration on and after this Act enters into force.

**Article 3 (Applicability to Revision)**

The amended provisions of Article 38-2 (1) shall apply to an application for a revision the period of which has not passed pursuant to the previous provisions at the time this Act enters into force.

**Article 4 (Applicability to Additional Duties)**

The amended provisions of Article 42 shall apply to an import declaration filed on and after this Act enters into force.

**Article 5 (Applicability to Reduction of Customs Duties for Overseas Wage- Processed Goods)**

The amended provisions of the proviso to Article 101 (2) 1 shall apply to the reimport made on and after this Act enters into force.

**Article 6 (Applicability to Provision of Passenger Reservation Data)**

The amended provisions of Article 137-2 shall apply to the requests for passenger reservation data made by the head of a customs office on and after this Act enters into force.

#### **Article 7 (Applicability to Special Customs Clearance for Consignments)**

The amended provisions of Article 254-2 shall apply to the list of customs clearance submitted on and after this Act enters into force.

#### **Article 8 (Transitional Measures concerning Extinctive Prescription of Right of Claim for Refund of Customs Duties)**

The amended provisions of Article 22 (2) shall apply to a right of claim for refund, which has already taken effect at the time this Act enters into force, the extinctive prescription of which pursuant to the previous provisions has not expired.

#### **Article 9 (Transitional Measures concerning Penalty Provisions)**

The previous provisions shall apply to penalty provisions or an administrative fine for acts conducted before this Act enters into force.

ADDENDA <Act No. 9410, Feb. 6, 2009>

(1) (Enforcement Date) This Act shall enter into force three months after the date of its promulgation.

(2) (Applicability to Price Investigation Report, etc.) The amended provisions of Article 29 (2) shall apply beginning with the import declaration first made after this Act enters into force.

ADDENDA <Act No. 9617, Apr. 1, 2009>

#### **Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation.

**Articles 2 through 13 Omitted.**

ADDENDA <Act No. 9625, Apr. 22, 2009>

#### **Article 1 (Enforcement Date)**

This Act shall enter into force three months after the date of its promulgation.

**Articles 2 through 9 Omitted.**

ADDENDA <Act No. 9709, May 27, 2009>

(1) (Enforcement Date) This Act shall enter into force on the date of its promulgation.

(2) (Applicability to Reporting on Distribution Track Record, etc.) The amended provisions of Article 240-2 shall apply to import declarations filed on and after this Act enters into force.

ADDENDA <Act No. 9910, Jan. 1, 2010>

#### **Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2009: Provided, That the amended provisions of Articles 90 (1) 2 and 3, and subparagraph 1 of Article 99 shall enter into force on April 1, 2010, and the amended provisions of Articles 108 (1), 158 (5), 181, 187 (2), 195 (2), 202 (3), 205 and 248 (5) shall

enter into force on July 1, 2010.

**Article 2 (General Applicability)**

This Act shall apply to import declarations filed on and after this Act enters into force.

**Article 3 (Applicability to Revision)**

The amended provisions of Article 38-2 (5) shall apply to an application for a revision, the period of which has not passed.

**Article 4 (Transitional Measures concerning Penalty Provisions, etc.)**

Penalty provisions or administrative fines for acts conducted before this Act enters into force shall be governed by the previous provisions.

ADDENDA <Act No. 9924, Jan. 1, 2010>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2010.

**Articles 2 through 7 Omitted.**

ADDENDA <Act No. 9968, Jan. 25, 2010>

**Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 9 Omitted.**

ADDENDUM <Act No. 10195, Mar. 31, 2010>

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

ADDENDA <Act No. 10424, Dec. 30, 2010>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2011: Provided, That the amended provisions of Articles 12, 178 (2) 2, (3) and (4), 205 and 252 shall enter into force on April 1, 2011, and the amended provisions of Articles 229 (1), 232-2, 233 (2) and (3) shall enter into force on July 1, 2011 while the amended provisions of Articles 231 (7), 235 and 329 (4) shall enter into force on the date on which the Free Trade Agreement between the Republic of Korea and the European Union and its member countries comes into force (in cases of a patent right under Article 235 (1) 5 and a design right under subparagraph 6 of the same paragraph, it refers to the date on which two years lapse after the Agreement comes into force).

**Article 2 (General Applicability)**

This Act shall apply to export or import declarations filed on and after this Act enters into force.

**Article 3 (Applicability to Penalty Surcharges)**



The amended provisions of Article 178 (3) shall apply to the portion in which grounds arise to issue a disposition to suspend the shipment, etc. of goods on and after the amended provisions of Article 178 (3) become effective pursuant to the proviso to Article 1 of the Addenda.

**Article 4 (Applicability to Limitations on Customs Clearance of Goods with False or Misleading Labels on Quality, etc.)**

The amended provisions of 203-2 shall apply to export or import declarations filed on and after this Act enters into force.

**Article 5 (Applicability to Protection of Intellectual Property Rights)**

The amended provisions of Article 235 shall apply to export or import declarations, transshipment declarations, combined transshipment declarations, declarations on the shipment into a bonded area, bonded transportation declarations or temporary unloading declarations referred to in subparagraph 1 of Article 141 on and after the amended provisions of Article 235 become effective pursuant to the proviso to Article 1 of the Addenda.

**Article 6 (Transitional Measures concerning Penalty Provisions)**

Penalty provisions for offenses committed before this Act enters into force shall be governed by the former provisions.

ADDENDA <Act No. 10897, Jul. 25, 2011>

- (1) (Enforcement Date) This Act shall enter into force three months after the date of its promulgation.
- (2) (Transitional Measures concerning Cargo Transportation Broker) Where a cargo transportation broker has reported in accordance with the former provisions to handle bonded cargoes before this Act enters into force, he/she shall be deemed registered on the date this Act enters into force: Provided, That he/she shall meet the requirements for registration under Article 223 by the date on which six months lapse after this Act enters into force.

ADDENDA <Act No. 11121, Dec. 31, 2011>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2012: Provided, That the amended provisions of Articles 5 (3) and (4), 38-3 (3), 42 (1), 110-2, 110-3, 118 (1), 146, 276 (2) 2 (limited to provisions pertaining to aircraft navigating domestically for transfer only), (3) 2 through 4, and 277 (1) 1 shall enter into force on March 1, 2012, while the amended provisions of Article 38-4, 118 (3), 124, 132 (2) and (3) shall enter into force on July 1, 2012.

**Article 2 (General Applicability)**

This Act shall apply to the first import declaration filed after this Act enters into force.

**Article 3 (Applicability to Later Application for Rectification)**

The amended provisions of Article 38-3 (3) shall apply to the first application for rectification filed after the amended provision of Article 38-3 (3) enters into force pursuant to the proviso to Article 1 of the

Addenda.

**Article 4 (Applicability to Revision or Rectification of Amount of Payment of Custom Duties by Self-Assessment)**

The amended provisions of Article 38-2 (1), (2), (3) and (5) and the former part of Article 38-3 (2) shall apply to the first application for a revision or rectification filed on or after January 1, 2012.

**Article 5 (Applicability to Application for Rectification due to Adjustment of Customs Value of Imported Goods)**

The amended provisions of Article 38-4 shall apply to the duty base and the amount of duty that are first determined or rectified by the head of the competent tax office or the Director of the Regional Tax Office on or after July 1, 2012.

**Article 6 (Applicability to Exception to Prohibition of Dual Investigation Following Decision on Re-Investigation)**

The amended provisions of Article 111 (2) 3 shall apply to the first decision as to an application for objection, examination or adjudication on and after January 1, 2012.

**Article 7 (Applicability to Application for Early Rectification Based on Pre-Assessment Notice)**

The amended provisions of Article 118 (5) shall apply to the first pre-assessment notice given on or after January 1, 2012.

**Article 8 (Applicability to Application Mutatis Mutandis of the Administrative Appeals Act)**

The amended provisions of Article 118 (7) and the proviso to Article 120 (1) shall apply to the first application for review or adjudication filed on or after January 1, 2012.

**Article 9 (Applicability to Expansion of Those Subject to Hearings)**

The amended provisions of Article 328 shall apply to the first revocation, suspension, etc. made on or after January 1, 2012.

**Article 10 (Transitional Measures concerning Succession to Status of Pre-Assessment Review and Objections Deliberation Committee)**

(1) An act done by the Pre-Assessment Review Committee or Objections Deliberation Committee pursuant to the former provisions as of July 1, 2012 shall be deemed an act done by the Customs Appeal Committee pursuant to the amended provisions of Article 124, respectively.

(2) An act done against the Pre-Assessment Review Committee or Objections Deliberation Committee pursuant to the former provisions as of July 1, 2012 shall be deemed an act done against the Customs Appeal Committee pursuant to the amended provisions of Article 124, respectively.

**Article 11 (Transitional Measures concerning Penalty Provisions, etc.)**

The application of penalty provisions or administrative fines to any act conducted before January 1, 2012 shall be governed by the former provisions.

### **Article 1 (Enforcement Date)**

This Act shall enter into force one year after the date of its promulgation.

### **Articles 2 through 6 Omitted.**

ADDENDA <Act No. 11602, Jan. 1, 2013>

### **Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2013: Provided, That the amended provisions of Article 176-2 shall enter into force on October 1, 2013, and the amended provisions of Articles 4 (1), 44 and 116-2 shall enter into force on January 1, 2014.

### **Article 2 (General Applicability)**

This Act shall apply to the first goods on which an import declaration or an export declaration is filed after this Act enters into force.

### **Article 3 (Applicability to Special Cases of Limitation Period of Imposition)**

The amended provisions of Article 21 shall apply to goods on which a request for confirmation of a certificate of origin, etc. is made on and after January 1, 2013.

### **Article 4 (Applicability to Determination of Customs Value)**

The amended provisions of Articles 30, 31, 32, 34 and 37-3 shall apply to goods on which the amount of customs duties and taxes is assessed on and after January 1, 2013.

### **Article 5 (Applicability to Customs Refunds)**

The amended provisions of Articles 46, 47 and 48 shall apply to goods for which a customs refund is appropriated or paid on and after January 1, 2013.

### **Article 6 (Applicability to Preliminary Review for Tariff Classification)**

The amended provisions of Article 86 shall apply to goods on which the result of preliminary review for tariff classification is publicly announced or published on and after January 1, 2013.

### **Article 7 (Applicability to Assessment of Additional Duties on Goods Not Reexported)**

The amended provisions of Article 97 shall apply to goods on which an additional duty is assessed on and after January 1, 2013.

### **Article 8 (Applicability to Customs Refunds on Goods Different from Contents of Contract)**

The amended provisions of Article 106 shall also apply to goods for which the deadline for payment of customs duties by self-assessment has not come as of January 1, 2013.

### **Article 9 (Applicability to License to Operate Bonded Stores)**

The amended provisions of Article 176-2 shall apply to a bonded store for which a license is granted after this Act enters into force.

### **Article 10 (Applicability to Administrative Sanctions on Bonded Transportation Business Entities, etc.)**

The amended provisions of Article 224 shall apply to cases where a transportation business entity has been subject to an administrative fine under Article 4 (4) of the Punishment of Tax Evaders Act on the

grounds that he/she sold oil products taken out for other purposes or acquired oil products with knowledge of the fact that such oil products were taken out for other purposes on and after January 1, 2013.

**Article 11 (Applicability to Imposition of Administrative Fines due to Failure to Submit Taxation Data)**

The amended provisions of Article 277 (1) shall apply to goods on which the submission of taxation data is requested on and after January 1, 2013.

**Article 12 (Applicability to Period for Implementation of Disposition of Notification)**

The amended provisions of Article 316 shall also apply to goods on which the period for implementation of disposition of notification has not expired as of January 1, 2013.

**Article 13 (Applicability to Limits of Granting Rewards for Reporting)**

The amended provisions of Article 324 (2) shall apply to goods on which hidden property of a defaulter is reported on and after January 1, 2013.

**Article 14 (Transitional Measures concerning Amendment to Reduced or Exempted Customs Duties on Goods Subject to Uneven Tariff Rates)**

(1) Notwithstanding the amended provisions of Article 89 (1), with respect to reduction of or exemption from customs duties on goods subject to uneven tariff rates under Article 89 (1) 1 for companies other than small and medium enterprises provided for in Article 89 (1), the reduction or exemption rate of 100/100 shall apply to goods on which import declarations are filed from January 1, 2019 to December 31, 2019.

(2) Notwithstanding the amended provisions of Article 89 (1), with respect to reduction of or exemption from customs duties on goods subject to uneven tariff rates under Article 89 (1) 2 for companies other than small and medium enterprises provided for in Article 89 (1), the reduction or exemption rate of 20/100 shall apply to goods on which import declarations are filed from January 1, 2019 to December 31, 2019.

**Article 15 (Transitional Measures concerning Penalty Provisions, etc.)**

In applying penalty provisions or administrative fines concerning any acts committed before this Act enters into force, the former provisions shall apply.

ADDENDA <Act No. 11690, Mar. 23, 2013>

**Article 1 (Enforcement Date)**

(1) This Act shall enter into force on the date of its promulgation.

(2) Omitted.

**Articles 2 through 7 Omitted.**

ADDENDA <Act No. 11873, Jun. 7, 2013>

### **Article 1 (Enforcement Date)**

This Act shall enter into force on July 1, 2013.

### **Articles 2 through 19 Omitted.**

ADDENDA <Act No. 12027, Aug. 13, 2013>

### **Article 1 (Enforcement Date)**

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

### **Article 2 (Applicability to Limitation Period for Assessing Customs Duties and Extension of Period for Application for Rectification)**

(1) The amended provisions of Article 21 (1) shall apply where the dates on which customs duties may be assessed commence after this Act enters into force.

(2) The amended provisions of Article 38-3 (2) shall apply to the cases of rectification, for which the period for an application for rectification of the amount of duty has not passed under the former provisions at the time this Act enters into force.

### **Article 3 (Applicability to Determination of Customs Value)**

The amended provisions of Article 35 shall apply where customs duties are reviewed after this Act enters into force.

ADDENDA <Act No. 12159, Jan. 1, 2014>

### **Article 1 (Enforcement Date)**

This Act shall enter into force on January 1: Provided, That the amended provisions of Article 71 (4) shall enter into force on January 1, 2015.

### **Article 2 (General Applicability)**

This Act shall apply where import declarations are filed after this Act enters into force.

### **Article 3 (Applicability to Succession of Liability for Duty Payment)**

The amended provisions of Article 19 (4) shall apply where a corporation is merged or the inheritance is commenced after this Act enters into force.

### **Article 4 (Applicability to Joint and Several Liability for Duty Payment on Co-Owned Goods, etc.)**

(1) The amended provisions of Article 19 (5) shall apply where the liability for duty payment is constituted after this Act enters into force.

(2) The amended provisions of Article 19 (6) shall apply where a corporate is split-off or split and merged, or a new company is established, after this Act enters into force.

### **Article 5 (Applicability to Rectification due to Adjustment of Customs Value of Imported Goods)**

The amended provisions of Article 38-4 shall apply where an application for rectification is filed at the time this Act enters into force, for which the period for the application for rectification of the amount of duty has not passed under the former provisions.

**Article 6 (Applicability to Special Cases for Submission of Written Application for Rectification, etc. by Mail)**

The amended provisions of Article 38-5 shall apply where a mail is sent after this Act enters into force.

**Article 7 (Applicability to Right to Obtain Assistance in Customs Duty Investigations)**

The amended provisions of Article 112 shall apply where a duty payer receives an investigation after this Act enters into force.

**Article 8 (Applicability to Loading, Unloading, etc. of Vessels and Aircraft Supplies)**

The amended provisions of Article 143 (1) shall apply where a permission for loading, unloading or trans-shipping is obtained after this Act enters into force.

**Article 9 (Applicability to Grant of License for Bonded Store)**

The amended provisions of Article 176-2 (1) shall apply where a public announcement is made by applying and enforcing the standards for middle-standing enterprises which are amended for granting license to establish and operate a bonded store after this Act enters into force.

**Article 10 (Applicability to Request for Confirming Certificates of Origin, etc. and Investigation)**

The amended provisions of Article 233 (2) shall apply where a request for confirmation of the authenticity, accuracy, etc. of certificate of origin and supporting documents for the certificate of origin is made after this Act enters into force.

**Article 11 (Applicability to Special Customs Clearance of Consignments)**

The amended provisions of Article 254-2 (3) and (4) shall apply where a list of customs clearance after this Act enters into force.

**Article 12 (Applicability to Revocation, etc. of Designation of Business Entities Operating Comprehensive Customs Duties Information Network of Korea, etc.)**

The amended provisions of Articles 327-2 (4) 5 and 327-3 (3) 5 shall apply where any confidential information is divulged or used by stealth after this Act enters into force.

ADDENDA <Act No. 12307, Jan. 21, 2014>

**Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation.

**Articles 2 through 6 Omitted.**

ADDENDA <Act No. 12844, Nov. 19, 2014>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 7 Omitted.**

ADDENDA <Act No. 12847, Dec. 23, 2014>

#### **Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2015.

#### **Article 2 (General Applicability)**

This Act shall apply where an export or import declaration is filed after this Act enters into force.

#### **Article 3 (Applicability to Extinctive Prescription of Authority, etc. to Collect Customs Duties)**

The amended provisions of Article 22 (1) 1 shall apply where the date on which the authority to collect customs duties can be exercised begins after this Act enters into force.

#### **Article 4 (Applicability to Determination of Customs Value Based on Domestic Sale Price)**

The amended provisions of Article 33 (2) shall apply where a customs value is examined after this Act enters into force.

#### **Article 5 (Applicability to Reviews of Advance Rulings on Customs Value)**

The amended provisions of Article 37 (3) shall apply where the result of an advance ruling on a customs value is notified after this Act enters into force.

#### **Article 6 (Applicability to Period for Application for Rectification)**

The amended provisions of the former part of Article 38-3 (2) and Article 38-4 (1) shall also apply to an application for rectification for which three years have not passed since the relevant date on which a first declaration for duty payment was filed before this Act enters into force.

#### **Article 7 (Applicability to Advance Rulings and Reviews of Advance Rulings on Tariff Classification, etc.)**

(1) The amended provisions of the body of Article 86 (2) shall apply where an application for an advance ruling is filed after this Act enters into force.

(2) The amended provisions of Article 86 (3) shall apply where the result of an advance ruling on tariff classification is notified after this Act enters into force.

(3) The amended provisions of Article 86 (7) shall apply where the result of an advance ruling or a review of the advance ruling on tariff classification is notified after this Act enters into force.

(4) The amended provisions of Article 86 (7) shall also apply where the result of an advance ruling on tariff classification is notified before this Act enters into force, however, the term of validity of such result shall be three years from January 1, 2016. <Newly Inserted by Act No. 13548, Dec. 15, 2015>

#### **Article 8 (Applicability to Reviews of Advance Rulings on Modification of Tariff Classification)**

The amended provisions of Article 87 (3) shall apply where the details of modification of tariff classification is notified after this Act enters into force.

#### **Article 9 (Applicability to Reduction of Customs Duties for Persons who Voluntarily Declare Travelers' Personal Effects, etc.)**

The amended provisions of Article 96 (2) shall apply to personal effects carried or sent separately by a traveler who enters Korea after this Act enters into force.

#### **Article 10 (Applicability to Submission of Certificates of Tax Payment)**

The amended provisions of Article 116-3 (1) shall apply where a duty payer intends to conduct any act provided for in the same Article after this Act enters into force.

**Article 11 (Applicability to Disqualifications of Operators)**

The amended provisions of subparagraph 6 of Article 175 shall also apply to a person who has filed an application for a license for establishing and operating a bonded area before this Act enters into force.

**Article 12 (Applicability to Special Provisions concerning Licensed Bonded Area)**

The amended provisions of Article 176-2 (3) and (6) shall apply where an application for renewal of a license is filed by a person whose license remains in effect after this Act enters into force.

**Article 13 (Applicability to Revocation of Licenses)**

The amended provisions of Article 178 (2) shall apply where Article 177-2 is violated after this Act enters into force.

**Article 14 (Requirements for Registration of Bonded Transportation Business Entities, etc.)**

The amended provisions of subparagraph 4 of Article 223 shall also apply to a persons who has filed an application for registration for a bonded transportation business entity, etc. before this Act enters into force.

**Article 15 (Applicability to Administrative Sanctions against Bonded Transportation Business Entities, etc.)**

The amended provisions of Article 224 (2) and (3) shall apply where a disposition of business suspension is imposed after this Act enters into force.

**Article 16 (Applicability to Additional Duties on Persons who Fail to File Voluntary Declaration on Travelers' Personal Effects, etc.)**

The amended provisions of Article 241 (5), with the exception of its subparagraphs, shall apply to personal effects imported by a traveler or crew member who enters Korea after this Act enters into force.

**Article 17 (Transitional Measures concerning Standards for Computation of Interest Rate of Additional Duties)**

Notwithstanding the amended provisions of Article 42 (1) 2, an additional duty on the portion for which an import declaration is filed shall be governed by the former provisions.

**Article 18 (Transitional Measure concerning Disqualifications of Operators)**

The scope of persons under adult guardianship and persons under limited guardianship referred to in the amended provisions of subparagraph 2 of Article 175 shall be deemed to include persons on whom the declaration of incompetency or quasi-incompetency remains in effect under Article 2 of the Addenda to the partially amended Civil Act (Act No. 10429).

ADDENDA <Act No. 13548, Dec. 15, 2015>

**Article 1 (Enforcement Date)**



This Act shall enter into force on January 1, 2016: Provided, That the amended provisions of Article 116-2 (1) shall enter into force on March 1, 2016 and the amended provisions of Article 246-2 on January 1, 2017.

**Article 2 (Applicability to Additional Duties on Goods Imported without Filing Declaration)**

The amended provisions of Article 42 (3) shall apply where goods are imported without filing an import declaration after this Act enters into force.

**Article 3 (Applicability to Application, etc. of Results of Reviews of Advance Rulings on Tariff Classification)**

(1) The amended provisions of Article 86 (5) (excluding subparagraph 2 (a) thereof) shall also apply where tariff classification is modified before this Act enters into force following a review of an advance ruling on the tariff classification.

(2) The amended provisions of Article 86 (5) 2 (a) (including cases to which the aforesaid provisions apply mutatis mutandis under the amended provisions of the body of Article 87 (4)) shall apply where the Commissioner of the Korea Customs Service modifies tariff classification after this Act enters into force.

**Article 4 (Applicability to Publication of Details of Modification of Tariff Classification)**

The amended provisions of the latter part of Article 87 (3) shall apply where the Commissioner of the Korea Customs Service modifies tariff classification after this Act enters into force.

**Article 5 (Applicability to Term of Validity of Modification of Tariff Classification or of Result of Reviews of Modification thereof)**

The amended provisions of Article 87 (5) shall also apply where notification is received under the body of Article 87 (2) or the latter part of Article 87 (3) before this Act enters into force.

**Article 6 (Applicability to Refund of Customs Duties on Goods for Private Use Exported in Original Conditions)**

The amended provisions of Article 106-2 shall apply to goods exported after this Act enters into force.

**Article 7 (Applicability to Pre-Assessment Review)**

The amended provisions of the proviso to Article 118 (3) shall apply where any person files an application for pre-assessment review after this Act enters into force.

**Article 8 (Applicability to Dispositions Excluded from Objects of Filing Objections)**

The amended provisions of the body of Article 119 (2) 1 shall apply to a disposition imposed in accordance with the determination of a reinvestigation made after this Act enters into force.

**Article 9 (Applicability to Submission of Cargo Manifest by Cargo Transportation Broker)**

The amended provisions of the proviso to Article 135 (2) shall apply to a foreign trade vessel or foreign trade aircraft entering after this Act enters into force.

**Article 10 (Applicability to Extension of Term of Validity of Registration of Bonded Transportation Business Entity, etc.)**

The amended provisions of the proviso to Article 222 (5) shall also apply to registration renewed before this Act enters into force.

**Article 11 (Applicability to Term of Validity of Certification of AEOs)**

The amended provisions of Article 255-2 (8) shall also apply to certification of entities certified as AEOs as at the time this Act enters into force.

**Article 12 (Applicability to Notification Disposition)**

The amended provisions of Article 311 (4) shall apply to an offense committed after this Act enters into force.

ADDENDA <Act No. 13636, Dec. 29, 2015>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2016. (Proviso Omitted.)

**Articles 2 through 12 Omitted.**

ADDENDA <Act No. 13856, Jan. 27, 2016>

**Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation.

**Articles 2 through 4 Omitted.**

ADDENDA <Act No. 14127, Mar. 29, 2016>

**Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation.

**Articles 2 through 11 Omitted.**

ADDENDA <Act No. 14379, Dec. 20, 2016>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2017: Provided, That the amended provisions of subparagraphs 5 and 6 of Article 237 shall enter into force on April 1, 2017.

**Articles 2 (Applicability to Submission, etc. of Evidential Data by Persons in Special Relationships)**

The amended provisions of Article 37-4 (2) through (4) shall begin to apply from an import declaration filed after this Act enters into force.

**Article 3 (Applicability to Attorneys)**

The amended provisions of Article 126 (2) shall also apply where an objection, or request for examination or adjudication is filed before this Act enters into force.

**Article 4 (Applicability to Non-Taxation of Goods for Use as Samples)**

The amended provisions of Article 161 (3) 2 shall begin to apply from goods confirmed by the head of a customs office as those collected for use as a sample for inspection, quarantine, etc. to be conducted

under any other Act after this Act enters into force.

**Article 5 (Applicability to Revocation of Licenses for Bonded Areas)**

The amended provisions of Article 178 (2) 4 shall also apply where no record of shipment of goods into licensed bonded area exists for a period of at least one year but less than two years as at the time this Act enters into force.

**Article 6 (Applicability to Verification of Foreign Goods on which Report on Use is Filed)**

The amended provisions of Article 186 (2) shall begin to apply from foreign goods, the use of which is reported after this Act enters into force.

**Article 7 (Applicability to Withholding of Customs Clearance)**

The amended provisions of subparagraph 5 of Article 237 shall begin to apply from a disposition for arrears entrusted to the head of a customs office after the same amended provisions enters into force.

ADDENDA <Act No. 14839, Jul. 26, 2017>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 6 Omitted.**

ADDENDA <Act No. 15218, Dec. 19, 2017>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2018: Provided, That the amended provisions of Article 37-2 (1) through (4) and Article 246-3 shall enter into force on July 1, 2018.

**Article 2 (Applicability to Obligation to Jointly Pay Custom Duties, etc.)**

The amended provisions of Article 19 (5) 1 (b) shall apply, beginning with an import declaration filed after this Act enters into force.

**Article 3 (Applicability to Application for Rectification to Make Adjustment between Transaction Value and Customs Value)**

(1) The amended provisions of Article 38-4 (1) shall apply, beginning with an application for rectification filed after this Act enters into force.

(2) Notwithstanding paragraph (1), the previous provisions shall apply to where the period for application prescribed in the previous Article 38-4 (1) has passed before this Act enters into force.

**Article 4 (Applicability to Selection of Persons Subject to Customs Duty Investigations and Reinvestigation)**

The amended provisions of Articles 110-3 (2) 4 and 111 (2) 4 shall apply, beginning with the cases where the duty payer provides or arranges to provide money or valuables after this Act enters into force.

**Article 5 (Applicability to Sending of Duplicate of Opinion by the Commissioner of the Korea Customs Service)**

The amended provisions of Article 122 (4) and (5) shall apply, beginning with a request for examination submitted after this Act enters into force.

**Article 6 (Applicability to Sending Opinion by Head of Customs Office)**

The amended provisions of Article 132 (4) through (6) shall apply, beginning with an objection filed after this Act enters into force.

**Article 7 (Applicability to Registration of Bonded Goods Caretakers)**

The amended provisions of Article 165 (3) shall apply, beginning with a registration revoked after this Act enters into force.

**Article 8 (Applicability to Receiving or Offering of Money or Valuables)**

The amended provisions of Article 277-2 shall apply, beginning with money or goods received or offered after this Act enters into force.

**Article 9 (Transitional Measures concerning Persons Eligible to Apply for Pre-Adjustment)**

Notwithstanding the amended provisions of Article 37-2 (2), a person who has filed an application for an advance ruling or prior approval of the arms' length price for national tax before July 1, 2018 shall be governed by the previous provisions.

ADDENDA <Act No. 16093, Dec. 31, 2018>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2019: Provided, That the amended provisions of Article 89 (6) shall enter into force on May 1, 2019; and the amended provisions of Articles 37 (5) and (6), 37-4 (4) and (5), 277 (6), and 311 (5) through (7) shall enter into force on July 1, 2019.

**Article 2 (Applicability to Submission of Data to Determine Customs Value of Goods Imported by Persons in Special Relationships)**

The amended provisions of Article 37 (4) and (5) shall begin to apply from portions for the amount of customs duties to be assessed after the same amended provisions enters into force.

**Article 3 (Applicability to Surcharges)**

The amended provisions of the former part of Article 41 (2) shall begin to apply from portions for surcharges to be additionally imposed after this Act enters into force.

**Article 4 (Applicability to Assessment of Adjusted Duties)**

The amended provisions of Article 50 (2), subparagraph 2 of Article 69, and Article 70 (1) shall begin to apply from cases where an import declaration is filed after this Act enters into force.

**Article 5 (Applicability to Reviews of Advance Rulings on Tariff Classification)**

The amended provisions of the latter part of Article 86 (3) shall begin to apply from cases where an application for a review of an advance ruling on tariff classification is filed after this Act enters into force.

**Article 6 (Applicability to Revocation of Designation, License, or Registration due to Disqualification of Executive Officers)**

The amended provisions of the provisos to Articles 89 (4) 1, 178 (2) 2, 204 (3) 2, 224 (1) 2, 327-2 (4) 1, and 327-3 (3) 1 shall also apply to cases where an executive officer of a corporation falls under subparagraph 2 or 3 of Article 175 before this Act enters into force.

**Article 7 (Applicability to Decision on Reinvestigation)**

The amended provisions of the provisos to Articles 119 (3) and 120 (2), and Article 120 (4) shall begin to apply from portions for an application for examination or adjudication to be filed or for an administrative litigation to be instituted after this Act enters into force.

**Article 8 (Applicability to Application for Permission for Entering and Departing from Areas Other than Open Ports)**

The amended provisions of Articles 134 (3) and (4), 136 (3) and (4), 140 (2) and (3), 142 (3) and (4), 143 (4) and (5), 158 (3) and (4), 159 (3) and (4), 161 (2) and (3), 185 (3) and (4), and 187 (2) and (3) (including cases of application mutatis mutandis under Article 195) shall begin to apply from portions for permission or approval to be filed after this Act enters into force.

**Article 9 (Applicability to Revocation of Licence of Licensed Bonded Areas)**

The amended provisions of the proviso to Article 175 shall also apply to cases where the operator of a licensed bonded area falls under subparagraph 6 of Article 175 and the license to establish and operate any other existing licensed bonded area, excluding the relevant licensed bonded area, the license for which has been revoked, is not revoked before this Act enters into force.

**Article 10 (Applicability to Renewal of License of Bonded Stores)**

The amended provisions of Article 176-2 (6) shall also apply to persons who has obtained license to operate a bonded store before this Act enters into force.

**Article 11 (Applicability to Payment Based on Notification Disposition)**

The amended provisions of Article 311 (5) through (7) shall begin to apply from portions for a notification disposition to be taken after the same amended provisions enter into force.

**Article 12 (Applicability to Grounds for Disqualification of Business Entities Operating Comprehensive Customs Duties Information Network of Korea)**

The amended provisions of Articles 327-2 (2) 2 and 327-3 (2) 2 shall also apply to cases where a business entity operating the Comprehensive Customs Duties Network of Korea or an electronic document brokerage entity falls under subparagraph 2 or 3 of Article 175, respectively, before this Act enters into force.

**Article 13 (Applicability to Sale of Goods Not Shipped out of General Bonded Areas for Long Period)**

Notwithstanding the amended provisions of Article 201 (5) and (6), goods shipped into and stored in a general bonded area before this Act enters into force shall be deemed shipped thereinto on January 1, 2019.

**Article 14 (Transitional Measures concerning Application of Simplified Tariff Rates)**

Notwithstanding the amended provisions of Article 81 (1) through (3), the former provisions shall govern the application of simplified tariff rates on goods on which an import declaration is filed before

this Act enters into force.

Last updated : 2020-01-28

