

Country: KOREA



MARKET ACCESSIBILITY
General Requirements

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Report's Info

This report contains an examination of the general administrative requirements of accessibility of the South Korean market. The obligations indicated concern not only those of the exporter, but also all those particular conditions which are inherent to the goods in question and which the exporter should know so that the analysis of market accessibility is as complete as possible.

Date

This report was prepared on **October 29, 2020**. All the mentioned regulations are considered updated on that date.

Sources

The following sources were consulted for the preparation of this document:

Market Access Database :

<https://bit.ly/34zMeMX>;

User's Guide Ice Agenzia :

<https://bit.ly/2HFqgPU>;

Foreign Markets Info :

<https://bit.ly/3kD9nnu>;

World Pass :

<https://bit.ly/3kIOGGU>.

General Requirements

Customs procedures and regulations

South Korean customs legislation mainly distinguishes between the following customs procedures for imports:

- release for free circulation;
- temporary admission;
- transit;
- in-service training;
- customs warehouse.

Prior to arrival in South Korea, ship or aircraft carriers must communicate their cargo data via the Korea Manifest System to the KCS (Korean customs service). The time for this presentation depends on the method and duration of transport.

In addition, any freight forwarder must report the arrival of a ship or aircraft to the customs authorities by submitting an entry declaration together with the advance manifest.

For customs clearance, an import customs declaration must be submitted electronically to the KCS. The declaration can also be submitted prior to entry, which allows a speedy clearance of goods. In this case, the deadline is one day before arrival for aircraft and five days before arrival for other means of transport.

If the goods are to be stored in a customs area, the customs declaration can be made before or after the

goods are stored.

The import declaration can be made by the importer, a customs broker or a customs clearance service company.

A commercial invoice, a customs value declaration, a list of packages, the respective transport document (i.e. a bill of lading in the case of sea transport and an air waybill in the case of air transport) must be presented in addition to the customs import declaration. A non-preferential certificate of origin may also be required. In addition, it is advisable to be in possession of a commercial code. Depending on the nature of the goods, additional documents, permits and/or certificates of the respective responsible authorities may be required.

After the documentary check on arrival, the customs agents in charge decide whether a physical inspection of the goods is necessary. The cargo selectivity system of KCS checks the cargo and automatically selects the high-risk cargo and requires a subsequent inspection.

Especially goods that may cause problems for public health, environmental protection or social security may be required to be inspected prior to their authorisation. With the post-clearance payment system, customs duties are due within 15 days after acceptance of the import declaration by KCS.

Temporary imports

Korea adheres to the ATA (Temporary Admission) convention. It is therefore possible to temporarily export commercial products and goods for presentation at trade fairs, exhibitions and other commercial events, professional equipment, goods in transit and goods in postal traffic. ATA Carnets are issued by the relevant Chambers of Commerce.

Entry Declaration

A document notifying the authorities of the arrival of a vessel or aircraft and summarising the goods loaded. It is mandatory, necessary for customs clearance and port or airport surveillance.

The processing fee for each declaration depends on the type and quantity of cargo. The responsible authority is Korea Customs Service (KCS), Building 1, Government Complex-Daejeon, 189 Cheongsu-ro, Seo-gu, KR-35208 Daejeon, telephone number: +82 42 4813241.

Document's Korean name = Seon Bak Iphang Bogoseo / Hang Gong Gi Iphang Bogoseo.

Documents to attach:

- list of supplies;
- passenger list;
- list of crew names and list of personal belongings;
- Advance Manifest;
- certificate of nationality (for foreign trade vessels);
- customs clearance permit from the port of departure or similar document.

Note that: the Korean Customs Service will forward the entry declaration submitted to other authorities involved, namely the Maritime and Port Administration, the Immigration Office and the Quarantine Office.

A simplified procedure can be applied in case a ship arrives and departs again within 24 hours without loading or unloading goods or items. In such cases, the submission of the documents to be attached above may be waived.

Advance Manifest

A document notifying the authorities in advance of the arrival of a vessel or aircraft and summarising the goods loaded. Necessary for customs clearance and risk assessment.

To be sent electronically by the forwarder through the Advance Manifest System in Korean.

There are no processing costs.

The time period for dispatch varies as follows:

- in case of sea cargo: 24 hours before embarkation at the port of embarkation;
- in case of bulk shipments: 4 hours before arrival in Korea;
- in case of air cargo: 4 hours before arrival;
- in case of express air cargo: 1 hour before arrival;
- in the case of goods (sea and air) coming from designated areas considered short voyage: before departure from the port of loading.

The responsible authority is Korea Customs Service (KCS), Building 1, Government Complex-Daejeon, 189 Cheongsu-ro, Seo-gu, KR-35208 Daejeon, telephone number: +82 42 4813241, fax number: +82 42 4817869.

Please note that:

- the following are designated as areas whose travel is considered short: China, Taiwan, Hong Kong, Japan and Far East Russia;
- the Advance Manifest must usually be presented to the customs authorities together with the entry declaration.

Customs import declaration

Official form for the customs clearance of goods. It must be completed by the importer or customs bro-

ker in Korean or English.

It should generally be submitted electronically before entry, which would allow the declarant to dispose of the goods immediately upon arrival. The deadline in this case is one day before arrival for aircraft and five days before arrival for other means of transport. The responsible authority is the Korea Customs Service (KCS), whose office can be contacted at Building 1, Government Complex-Daejeon, 189 Cheongsa-ro, Seo-gu, KR-35208 Daejeon, telephone number: +82 42 4813241.

Document's Korean name = Suip-Singoseo.

Note that, according to KCS Korean Customs Services, the average time required for customs clearance is less than 2.5 hours and over 85% of shipments are cleared within 40 minutes.

Customs Value Declaration

A document required for customs clearance containing all the information needed to assess the taxable value of a shipment. To be submitted electronically by the importer or customs broker in Korean, which would allow the declarant to have the shipment available immediately upon arrival. The deadline set, also for this case, is one day before arrival for aircraft and five days before arrival for other means of transport.

Korean name of the document = Ga-gyeok Singoseo.

Commercial invoice

A document containing the details of the transaction. Required for customs clearance.

The invoice must be written in English and is to be sent in a single copy or in electronic format.

Usual minimum content:

- name and address of the seller

- name and address of the recipient or purchaser, if different from the recipient
- place and date of issue
- invoice number
- country of origin
- transport information
- delivery and payment terms
- brands, numbers and type of packages
- description, exact quantity of the goods, with list of unit prices and amounts.

Note that if the importer requests preferential treatment under the Free Trade Agreement (FTA) between Korea and the European Union (EU), a respective declaration of origin must be made on the commercial invoice or, alternatively, on any other commercial document containing sufficient details of the products concerned. In the case of Korea, the presentation of a movement certificate EUR.1 is not required.

For goods whose value does not exceed EUR 6,000, the origin declaration may be made out by any exporter. For consignments exceeding this value, an authorisation as approved exporter is required for the preparation of the origin declaration. It is advisable to submit the application well in advance of the planned shipment as it has to be obtained from the national customs authorities.

This proof of origin is valid for twelve months from the date of issue.

Packing List

A document required for customs clearance containing the details of the shipment and serving as a basis

for the customs treatment of goods. Must be drafted by the exporter in English or Korean and must be submitted in triplicate.

Certificate of non-preferential origin

A document certifying the non-preferential origin of the goods to be imported.

The certificate shall be presented by the exporter in original only if specifically requested by the importer, customs authorities or other authorities involved in import procedures. In particular, the customs authorities may request the supply of the certificate if they have doubts about the origin of the goods. Non-preferential certificates of origin are normally issued by the competent chamber of commerce. In some countries, however, this responsibility may also be assigned to other bodies such as ministries or customs authorities.

Proof of preferential origin

A document confirming the preferential origin of the goods to be imported. Formal proofs of origin are generally issued by the competent customs authorities. Where non-formal proofs of origin are required, they shall be issued by the exporter. It is only required where preferential treatment is required under an agreement or free trade agreement.

Goods shall be eligible for preferential treatment if they have been wholly obtained or if the preferential origin has been conferred by working or processing sufficiently in accordance with the rules of origin specific to the product.

A proof of preferential origin may replace a non-preferential certificate of origin, subject to accep-

tance by the customs authorities of the importing country.

Authorized Economic Operator (AEO)

Further facilitation of customs procedures can be obtained through the Authorized Economic Operator (AEO) program. Persons wishing to take advantage of these benefits must first comply with the security standards established by the South Korean authorities in accordance with the WCO (World Customs Organization) security standards. Once the application and inspections have been successful, AEO status is granted, which provides for a simplification, and thus acceleration, of customs procedures, a reduction in the control of goods by the customs authorities, the possibility of monthly payment and credit security benefits.

South Korea has concluded agreements providing for mutual recognition of AEO status with certain countries, e.g. Australia, Canada, Dominican Republic, Hong Kong, India, Israel, Japan, Mexico, Mongolia, New Zealand, Singapore, Taiwan, Thailand, Turkey, United Arab Emirates and the United States; in this respect, South Korea aspires to obtain mutual recognition of AEO status with other countries.

Air waybill

A document containing the details of the international carriage of cargo by air and proving the contract of carriage between the sender and the carrier's company. Necessary for customs clearance, prepared by the carrier or its agent generally issued in English.

No specific form is required, provided that the document corresponds to applicable conventions both in

form and content.

The Air Waybill consists of a series of forms:

1. the first original, in green, is held by the carrier.
2. the second (red) for the recipient
3. the third (blue) is for the forwarder
4. the fourth form (copy), usually yellow, is a delivery receipt
5. finally, extra copies, usually white, can be requested at departure and destination airports.

Note that:

- if two or more modes of handling goods are combined in one transport operation a multimodal or combined transport document can replace the air waybill;
- if dangerous goods are shipped by air, the consignor must deliver a Declaration for dangerous goods shipped by air to the carrier or its agent before the goods are shipped.

Bill of lading

A document containing the details of the international carriage of goods by sea serves as a contract of carriage obliging the carrier to deliver the goods to the consignee. The bill of lading is a document of ownership of the good, therefore its bearer is the owner of the goods. Required for customs clearance. It must be prepared by the carrier or his agent in English.

No specific form is required, provided that the document corresponds to the applicable conventions in both form and content.

Usually three complete sets of the bill of lading are

issued, each containing one original and several copies.

Please note that:

- if two or more modes of cargo handling are combined in a single transport operation, a multimodal or combined transport document may replace the ocean or maritime bill of lading;
- if dangerous goods are shipped by sea, the consignor must deliver a Declaration for dangerous goods shipped by sea to the carrier or his agent before the goods are shipped.

Registration

We recommend that you register with the Korea International Trade Association (KITA) to obtain a trade code. For this purpose, candidates should become members of the KITA.

The importer must be resident or have a place of business in Korea.

Membership to Korea International Trade Association

A document confirming that its bearer is a member of the Korea International Trade Association (KITA). Membership of KITA is not mandatory but recommended as a prerequisite for the trade code.

Membership must be requested by the importer at Korea International Trade Association (KITA), 511 Yeongdongdae-ro, Gangnam-gu, KR-06164 Seoul, telephone number: +82 15665114.

The application must be completed in Korean or English, to be submitted in the original.

The decision on the granting of membership is taken immediately.

The processing fee is 200,000 KRW, the annual membership fee is 150,000 KRW.

Korean name of the document = Hwe Won Gaip Shincheongseo.

Customs Codes

The commodity codes and their descriptions included in the commercial documents should always contain a reference to the Harmonized System basis, e.g. HS 2017.

In case the indicated commodity codes exceed the six-digit level and refer to the tariff nomenclature of the country of destination country, these codes should be adjusted with the importer.

Import permit for goods in approved packaging materials

A document that allows the actual import of goods whose packaging materials must meet Korean standards. Necessary for customs clearance and market access.

Authorization must be requested by the importer at Korea Environment Corporation, 42 Hwangyeong-Ro Seo-gu Incheon, KR-Seoul, telephone number: +82 32 5904000.

The application must be completed in Korean and sent as a copy or in electronic format. The processing time of the document is 14 days, without processing costs, valid only for a single import.

Korean name of the document = Jae Hwalyong Eui-mudaesang Jeapum, Pojangjae Chulgo, Su-ip Siljeogseo.

Note that: the packaging material of imported goods may need to be recycled by the importer. In the case of such waste that is difficult to recycle or may cause problems, the South Korean authorities will charge

the costs.

In addition, importers subject to mandatory waste recycling must submit annual quantity data by the end of March or by 15 April each year (depending on the type of goods).

General Information regarding COVID-19

Due to the COVID-19 crisis, countries all over the world are introducing measures which may also affect import and export procedures. Such measures include:

- closures of border crossing points and restrictions regarding customs clearance vehicle of transportation restraints
- export restrictions for particular goods like medical protective equipment
- facilitations concerning the import or admission of products intended to fight the corona crisis
- financial facilitations for companies, e.g. the payment of certain duties or charges
- facilitations of certain formal legal requirements like the acceptance of duplicates or digital copies of certificates of origin or movement certificates or the renounce of the requirement of a signature.

In light of the dynamic development of the pandemic, countries may decide on short-term changes at any given time. Therefore, we suggest to the economic operators to make arrangements with the parties involved in import or export matters in advance and complete way.