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Surfing



Grace Chang

CEO/Customs consultant

On the bucket list of my childhood, there was [Surfing in the Hawaiian Sea](#). The image of riding a surfboard to the sea and climbing to the top of the rough waves in the video was so fascinating to me.

I saw the courage of the surfer overcoming the fear as the surfer lays down his body on the surfboard and heads out to the sea against the waves. I wanted to have the power of standing up on the board while looking at the big waves that kept coming. The [Boldness not backing down from the continuing waves](#) was amazing.

When we walk on the beach, we repeatedly step back from the waves to avoid getting wet but eventually we get wet. Only then we move our step toward the sea one step at a time. Our feet are submerged into the water and the sea water winds up to our legs. We head out toward the waves holding onto a small tube. I can dream of riding a surfboard.

Ideal and Reality for this month is 'The importance of what is seen and what is not seen when determining facts', Analysis on Recent Customs Judicial Precedent covers 'Propriety of Disposition of Denying the Application of Concessional Tariffs Considering the Claimant as an Actual Shipper for the Case Where the Claimant Bid for the Korea Agro-Fisheries & Food Trade Corporation's Import Rights Auction in the Name of a Third Party and Won the Bid, and Then Applied the Tariff Concession Rate with the Above Companies as Taxpayers', and HS case solved by logic reports 'Whether Replacement Filters Used in Vehicle Interiors are Classified as Filters or Textiles.' and Global Customs



Insight is 'Trends in Revision of Regulations Related to the Indirect Export System in Vietnam', and FTA and import/export practical business guide is 'Tips for Importing and Exporting Carry-on Items', Contents and Opinion of Customs Trade amendment Covers 'Partial Amendment of 'Notice on Import Customs Clearance Procedure.'

"Joy comes from jumping out of your comfort zone and trying new things. It is a constant discipline to choose joy over fear."*

I lay down on a beach chair and watch the sea. It's safe. I feel comfortable while staying in a familiar place. There is no such fear like I had when heading for the waves. Do I really need to try something new?

We reject changes and challenges, and insist on the familiar way of being stuck in a rut. There is nothing new, so there is no fear. We believe that safety is the first priority and hope to maintain the status quo. 舊韓末, During the end of old Chosun dynasty, playing tennis was fashionable among foreign diplomats. King Gojong and King Sunjong visited the diplomatic club to get acquainted with diplomats. This is the reaction of Sunjong watching the tennis game. "It's really pitiful to do such a difficult job on their own. Why didn't they make servants do it? "

Will there be a permanent safe zone? [Being alive means moving out of the old and stagnant place to a new and dynamic place. Being alive is life and joy.](#)

Just like enjoying the adventure of riding high waves, lying on calm waves is a new experience. I entrust my body to the sway of the waves at the boundary between sky and water. I look at the blue sky and white clouds and see birds flying by. I let go of the fear of not knowing where I am going. Every moment is a joy.

I even go into the deep sea. I can wear a wetsuit or let your long hair fly like a mermaid. I go into the deep, deep sea and watch the rough waves on the sea. I am immersed in the calm and cozy sea like in my mother's womb.

When you overcome a wave, another wave approaches. You've overcome the big waves with all the strengths you have, but rougher waves may come. Aren't our lives like that too? [You thought you had overcome the hardship, but another hardship awaits.](#) If you turn around to escape the suffering of a crisis, will that crisis end? Rather, [when you face and overcome a crisis, you feel joy.](#) [Even if another crisis comes and hardships continue, this joy is the source of strength to keep going without falling.](#)

Big and small waves are one in the sea. [Big and rough waves and calm and beautiful waves are the same sea.](#) Whether it is in the sea of Hawaii or in the East Sea, it changes its shape depending on the time, but it is still the same sea.

The crises that seem to be hardships that come upon us in our lives are only different in shape. It is a variety of forms that appear in life. [Depending on how people react and respond, the impact on each person is different.](#) There are people who turn and run away to escape suffering. There are times people feel distressed, blame themselves, and get angry. Some even engage in 'indulgence in search of trivial pleasures' in order to forget their fears.*

However, great joy within us erases all fear. This is '[Joy that encompasses all sorrow, happiness, pain, and pleasure](#)'. We do not consider crises as hardships because we have that great joy in us. We get rid of our fears and take on new life experiences. We take one step closer to the joy of life.

I hope you don't get tired from the scorching heat, and I hope you spend days of joy leaping toward life. Thank you.

"I have told you this so that my joy may be in you and your joy may be full." -John 15:11

*Henri Nouwen, *The Way of Jesus* (Seoul: Duranno, 2020), 131, 132





Ideal and Reality

The importance of what is seen and what is not seen when determining facts

Everyone knows that taxes are necessary. The state collects taxes from someone. There is no need to reiterate the importance of tax obligations, fair taxation, and the principle of taxation.

However, in the tax issues arising these days, the experimental spirit of public officials is often seen as causing taxpayer pain. There is a saying that it is fine to do research but not the research should not be conducted on the public. The government should not intend to create artificially designed frameworks for the taxpayer to reshape them at will just as gardeners design their gardens and make pyramids, cones, vases, cubes, etc., with trees as they hearts desire.



Seo Young Jin

Managing Director/
Licensed Customs agent
wedn8@shcs.kr

[PROFILE]

- SHINHAN Customs
- Corporate Audit
- Foreign Exchange
- FTA Consulting

Denying the pricing method that has been tax-free for more than 30 years, or changing the HS classification method that has been maintained for 40 years, are attempts to collect taxes through new initiatives. In the case of a transaction between private individuals, such a new attempt will not work, but in the case of a government or public official's attempt, the taxpayer will have difficulty in explaining the long history and each case.

The application of tax laws, like the application of other laws, should be followed by comprehensive judgment based on literature, history, and practice. It is not that difficult to practice fair and reasonable taxation.

Then why is it so difficult when it gets into the hands of the government and public officials?

As the historian Arnold Toynbee said, "Human civilization is a history of challenges and responses," it cannot be denied that new principles of taxation are created and further become solidified through challenges and responses. However, collecting taxes from someone is a matter of legislation, and it is the government's responsibility to ensure that the public pays fair and reasonable taxes.

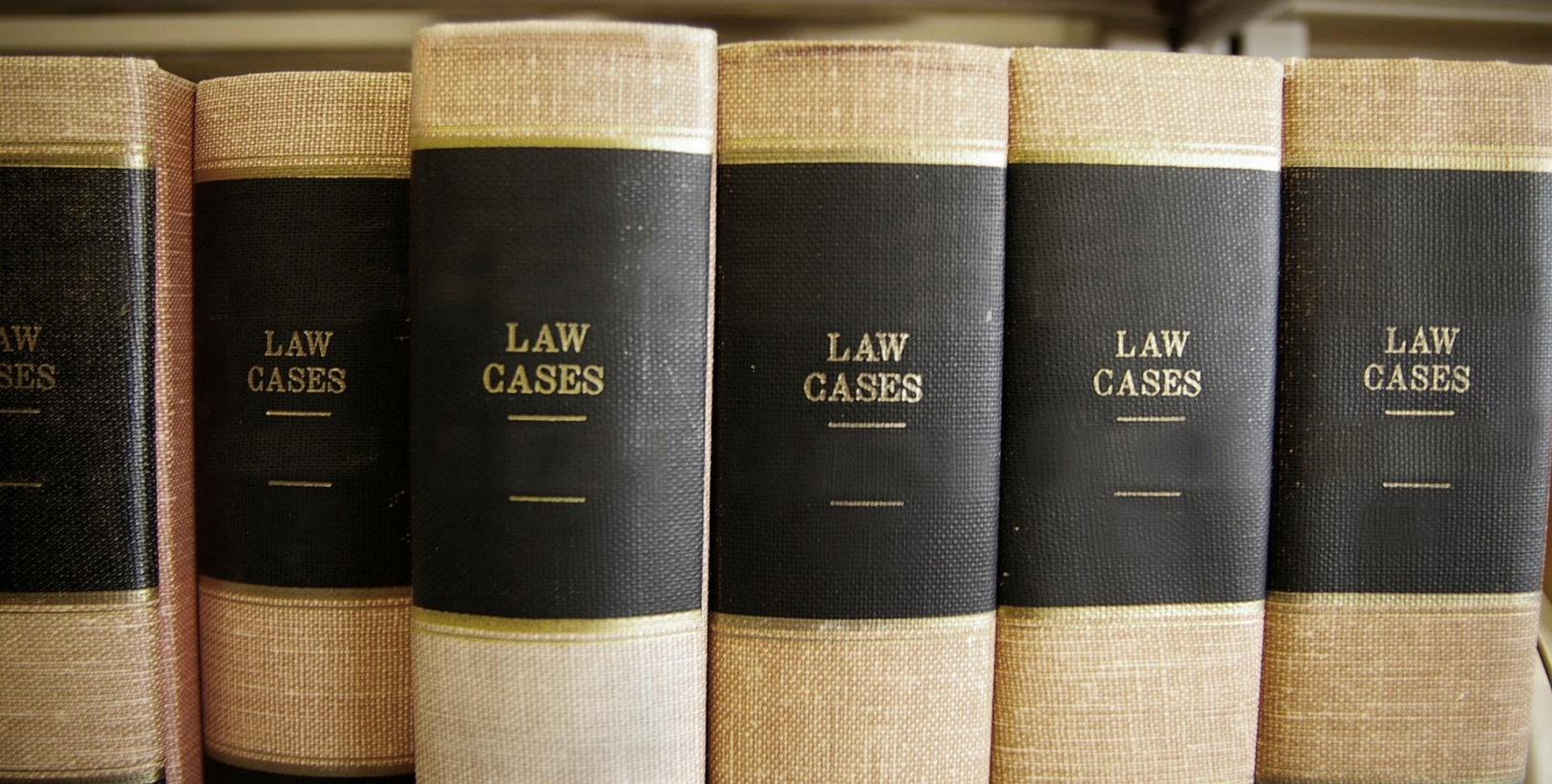
Officials in charge of taxation must also follow the rule of evidence when attempting to impose taxes. The rule of evidence is a rule that must be followed in selecting evidence. Prior to applying the substantive law, the subject of judgment is called factual relationship, and since factual relationship is an event that occurred in the past, it must be reconstructed with evidence.

The judge decides the factual relationship freely according to reasonable cause, and at this time, giving room for free judgment is called the principle of free evaluation of evidence. However, the discretion granted is not limitless and must be exercised in accordance with commonly recognized principles of logic and rules of thumb.



Even when tax is imposed, it is always necessary to be careful not to violate the rule of evidence for mistaking facts. Misjudgment by the government not only causes pain to taxpayers, but also affects the decisions of Southeast Asian and Eastern European countries that monitor our systems and decisions, giving difficulties to Korean companies that have entered overseas markets.

Making hasty conclusions without confirming the detailed facts serves as a trigger for Korean companies to face difficulties at home and abroad. Decisions must be made quickly but always carefully, and the ability to think about the unseen with what is seen must be developed.



Analysis on Recent Customs Judicial Precedent

Propriety of Disposition of Denying the Application of Concessional Tariffs Considering the Claimant as an Actual Shipper for the Case Where the Claimant Bid for the Korea Agro-Fisheries & Food Trade Corporation's Import Rights Auction in the Name of a Third Party and Won the Bid, and Then Applied the Tariff Concession Rate with the Above Companies as Taxpayers

1. Facts

1) When Issue Importers imported mung beans, red beans, and sesame seeds (hereinafter referred to as issue items), they made import declaration by applying the WTO concession tariff rate (hereinafter "WTO recommended concession tariff rate") that are applied within the market access volume by each issued item with the recommendation, or in accordance with 「Free Trade Agreement between the Government of the Republic of Korea and the XXX Government」 (hereinafter referred to as the "Korea-XXX FTA"), the agreed tariff rate within the limited quantity (hereinafter referred to as the "FTA recommended tariff rate", combined with the WTO recommended concession tariff rate, "the disputed tariff rate") within the limit quantity, and the head of the customs office accepted it.



Hong Hye Ri

Customs Attorney
hrhong@shcs.kr

[PROFILE]

- SHINHAN Customs
- Corporate audit
And investigation
- Foreign exchange
- Trade transaction
advisory

2) The claimant was a person who used to import agricultural products under the name OOO Co., Ltd. (The company's CEO was changed to the applicant's spouse, hereinafter "OOO"), and in 2010, while importing sesame seeds under the names of recommended companies that won import rights, and received the WTO recommended concession tariff rate of 40% inappropriately. The disposal agency made a disposition of imposing tariff (hereinafter "precedent case"). The claimant filed an appeal for the judgment (hereinafter "preceding judgment") and lost. the customs duties, etc. have not been paid until now.

3) As a result of a customs investigation on the claimant, the disposition agency found that even though the claimant is a shipper who actually imported the items at issue while practically operating OOO, the claimant evaded customs duties by importing the items at issue in the names of the importers at issue who received the recommendation for the application of the issued declaration tariff rate (hereinafter referred to as "recommendation at issue", and the recommendation letter is referred to as "letter at issue recommendation") in order to avoided the WTO tariff concession rate (hereinafter referred to as "WTO unrecommended tariff rate"), which is applied when there is no recommendation letter. The disposition agency applied WTO non-recommendation rate for the items at issue, and the claimant was notified of the correction (hereinafter referred to as "Dispute Disposition").

4) The claimant filed for appeal.

2. Claimant's Argument and Disposition Office's Opinion

1) Claimant's claim

- (a) The claimant is not the actual shipper (actual taxpayer) of the items at issue.
- (B) The claimant never evaded customs duties or received unfair reduction or exemption.

2) Opinion of the Disposition Agency

- (A) The claimant is the actual shipper (actual taxpayer) of the items at issue.

(B) The disputed tariff rate cannot be applied to the items at issue as the disputed recommendation letters handed over to the claimant from the disputed importers are not valid.

3. Hearing and Judgment

1) Facts: The relevant laws and regulations related to the application and recommendation of tax rates for the items at issue are as follows.

(A) In relation to the application of the WTO tariff concession rate, it must be recommended in accordance with the 「Enforcement Decree of the Customs Act」 and 「Agricultural and Livestock Products Market Access Volume Concession Tariff Recommendation and Import Management Guidelines」 pursuant to the delegation of the 「Act on Distribution and Price Stabilization of Agricultural and Fishery Products」; The method of allocating the quantity to which conceded tariffs are applied is divided into an allocation of designate institutions and an open competitive bidding method of import right auction. The person who wins the import right through the auction cannot resell the import right to another person and must import the goods within the specified period at the time of bidding. In case of violation, the recommendation can be canceled.

(B) Regarding the application of the agreed tariff rate within the quantity limit of the Korea-XXX FTA, the Enforcement Decree of the 「Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements」 imposes the agreed tariff rate within the quantity limit of the Korea-XXX FTA applicable to sesame seeds and red beans. Those who wish to be subject to the above-mentioned low tariff rate should get the recommendation in accordance with 「Special Act on Support for Farmers, Fishermen, etc. Following the Conclusion of a Free Trade Agreement」 and the 「The Tariff Rate Quotas Recommendation and Guidelines for Import Management for Agricultural and Livestock Products in accordance with the Free Trade Agreement between the Government of the Republic of Korea and the XXX Government」. The above recommended quantity allocation method is an open competitive bidding-based import rights auction. The person who won the bidding is not allowed to transfer or resell the import right to others, and needs to import within the time period specified at the time of bidding. In case of violation, the recommendation can be canceled or excluded from the recommendation for a period of up to two years.

(C) In order to apply the issued declaration tariff rate, it is necessary to bid for the import right auction and win a successful bid and then receive a recommendation for the application of the issued declaration tariff rate. The bidding for the import right auction is all general competitive bidding and has a limit of

the bidding amount and the bidding time (one bidding per one person). Those who do not meet the qualifications of bidding cannot enter the bidding. Also double bidding is not allowed. In addition, even after winning the bidding, if the bidding does not meet the conditions or is found to be false, the winning of bidding can be canceled or the contract can be canceled.

2) According to the hearing materials submitted by the claiming corporation and the disposition agency, the following facts appear.

- (A) The disposition agency conducted a customs investigation on the claimant, considering that the claimant was actually operating OOO and importing agricultural products under the name of another person. In this process, among the companies that are under the suspicion of lending the company name to the claimant, the issued import company was selected as a subject for a final investigation that received payment from the claimant after the transfer of the import right. The claimant performed the entire process, from recruitment of overseas customers to import customs clearance and domestic sales. The actual taxpayer of the goods was determined to be the claimant.
- (B) The importers at issue each made a statement to the disposition agency in relation to the items at issue that they entrusted the claimant with the entire process, from recruitment of overseas customers to import customs clearance and domestic sales. Each statement was made to the effect of their bankbooks, stamp, nameplate, bank authorized certificate and the OTP, etc. were given to the claimant and the claimant kept and managed them.
- (C) The amount, quantity and unit price of the auction for the import rights, the place of departure and destination, the contract number, B/L number, Foreign currency remittance, short sale payment, the broker's fee and warehouse expenses are organized for each issue import company in the handwritten memorandum at issue prepared by the spouse of the claimant. The details submitted by the importer at issue to the head of the customs office at the time of customs clearance appear to match the descriptions in the memorandum at issue.
- (D) According to the account details of each importer at issue submitted by the Disposition Agency, most of the Internet banking IPs used by the importers at issue for overseas remittance of payments for short sale, customs broker's fees, and goods are the IPs of the company actually operated by the claimant.

- (E) After the items at issue are sold in Korea, the claimant designated the recipient of the supply (the domestic buyers of the items at issue), the date, amount, type of business (wholesale/retail, etc.), item (agricultural products, etc.), etc to the importers at issue and asked the tax invoice to be issued in the name of the importers at issue. The tax invoice issued in the name of the importers at issue was kept by the claimant, and the transaction date and transaction amount on the tax invoice are consistent with the amount deposited into the account of each issue importer.
- (F) According to the fee details for each issue importer presented by the Disposition Agency, a certain amount was deposited into the accounts of the issue importers from IPs such as OOO. If the deposited amount is divided by the quantity of the issue item that each issue importer has won, the price per ton of the items at issue is calculated. The disposition agency holds the opinion that the claimant paid the above deposit amount in exchange for the transfer of import rights to the importers at issue.
- (G) The disposition agency filed a complaint with the district prosecutor's office against the claimant for customs evasion. The district prosecutor's office acknowledged that the claimant is the actual owner of OOO and OOO was partially involved over 175 times in the overseas purchase, distribution and the sales in the domestic market of the agricultural products such as sesame seeds that the importer at issue won the bid. However the district prosecutor's office decided not prosecute because the resale of the import right was a reason for cancellation, not invalidation of the recommendation, and it is difficult to conclude that the act of submitting a recommendation letter at issue and receiving the low-rate tariff rate at issue as customs duty evasion. There were suspicious circumstances that the claimant is the actual tax payer but the evidence was insufficient.

3) Judgment: It is appropriate that the disposition agency imposed the tariff by applying the WTO unrecommended tariff rate to the items at issue considering that the claiming corporation is the actual taxpayer of the items at issue.

- ① The district prosecutor's office acknowledged that the claimant actually operated OOO, and that OOO was partially involved in overseas purchase, customs clearance, and domestic sales of the goods at issue, ②The claim that funds deposited in the name of OOO to the importers at issue is the price paid in advance or later for purchasing the items at issue from the vendors, is in the end, that the claimant received the transfer (resale) of the import right from the importers at issue, ③The fact that the claimant remitted expenses related to the transaction of the items at issue in the names of importers at issue while

the claimant managed the bank accounts, name card, stamp, bank certificate and OTP, etc. of importers at issue ④ If the claimant acted as an import customs clearance or purchase agent for the importers at issue, there should have been the contract for import agency and purchasing agency between the claimant and the importers at issue, and the claimant should have been paid the agent fees from the importers at issue. However, the claimant is unable to submit the agency contract, etc., and rather, the claimant pays a certain amount per ton of the item at issue to the importers at issue. This seems to be a price for taking over the import right of the items at issue from the importers at issue. So it is judged that the claimant is the actual taxpayer of the items at issue.

In addition, the act of reselling the import right of the items at issue is a reason for cancellation of the recommendation letter, not invalidation of the letter of recommendation, and even if the letter of recommendation at issue has not yet been revoked, the application of the concession tariff rate and the conventional tariff rate is determined by the tax authority based on the letter of recommendation. (Supreme Court 2015.9.21. Decision, 2015, 59624 judgment, the same meaning). When the claimant is the actual taxpayer (or actual shipper) of the items at issue, a recommendation letter in the name of the claimant should have been submitted at the time of import customs clearance of the items at issue. But the recommendation letter at issue was issued in the name of the importers at issue, not the claimant. In light of the fact that it seems difficult to apply a low declaration tariff rate at issue to the items at issue, it is judged that there is no error in the disputed disposition that the disposition agency imposed customs duties applying the WTO unrecommended concession tariff rate to the items at issue.



HS case solved by logic

Whether Replacement Filters Used in Vehicle Interiors are Classified as Filters or Textiles.

[Product description]

Product name : CABIN FILTER

It is a replacement filter made into a specific shape by bending and cutting the non-woven fabric and then fixing the edges to maintain the shape of the product. This filters the air flown into the car

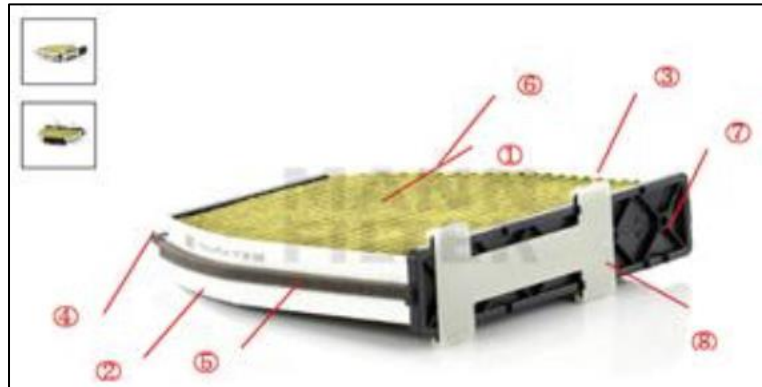


Kang Ga Ram

Customs Attorney
grkang@shcs.kr

[PROFILE]

- SHINHAN Customs
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And investigation
- Foreign exchange
- Trade transaction
advisory



[Competition HS heading]

Heading 8421 (Filter) VS Heading 5911 (textile products)

[determined HS heading]

Heading 5911.90-0000

[Reason for decision]

o In Heading 5911 of the Tariff Schedule, "textile products and articles made from textile fibers (products listed in heading 8* to this Chapter, used for industrial purposes)" are classified, and on subheading 5911.90, "other things" are classified.

* Textile products, other than those of headings 5908 to 5910, for industrial use [eg, Textile fabrics and felts, gaskets, washers, polishing discs and other machine parts with endless shapes or fittings used in paper machines or similar machines, (eg, for the manufacture of pulp or asbestos cement)]"

-The commentary of the same heading explains "The textile products of this heading show special characteristics, and you can tell that they are used not only for various machines, instruments and equipment, but also for tools and parts for tools. <Omitted> Textile products are classified in this heading as long as they have the essential characteristics of textile products, even if they are attached with accessories of other materials." (9) Vacuum cleaner bags, filter bags for air filters, oil filters for engines, etc. are given as the examples.

- The commentary to heading 8421 where filters are classified explains "it should be noted that filter blocks of pulp and other filter materials (ceramics, textile fibers, felt, etc.) classified in heading 4812 are classified according to their constituent materials."

o This product is a filtration filter for filtering foreign substances in the air flowing into the vehicle, and is similar to the 'filter bag for air filter and oil filter for engine' as exemplified in the commentary of heading 5911,

- Although the edge is attached with a material (plastic) other than the non-woven fabric as a filter medium, it is an accessory to maintain the shape of the non-woven fabric, so it is judged that the essential characteristics are in the textile product (non-woven fabric) of heading 5911.

o Therefore, it is appropriate to classify the item in subheading No. 5911.90-0000 in accordance with General Rules Nos. 1 and 6 regarding the interpretation of the Tariff Schedule as textile products.

[reference]

Item Classification Committee decision, reference number Item Classification Division 4-13254 (2023.06.01.)



Global Customs Insight

Trends in Revision of Regulations Related to the Indirect Export System in Vietnam

In recent months, there has been a lot of debate about on-spot exports between businesses and government agencies, such as Vietnam's local customs. Accordingly, in February 2023, the Deputy Prime Minister of Vietnam requested the Ministry of Finance, the competent ministry, to preside over discussions with relevant departments in order to supplement Decree 08/2015/ND-CP, a related law on on-spot import and export, and on June 12, 2022, there was a seminar on the repeal of the clause.



Park Sung Hyun
Customs Attorney
sh.park@shcs.kr

[PROFILE]

- SHINHAN Customs
- Import/Export Customs Clearance
- FTA Consulting
- Duty Drawback
- Company Audit and Evaluation

The current Customs Law Enforcement Decree 08/2015/ND-CP, Article 35, Paragraph 1, defines domestic export as follows:

- a. The sale of goods produced in Vietnam under a processing contract to another party in Vietnam designated by a foreign trader.
- b. Transactions between domestic companies and export processing companies (EPE) or companies in free trade zones
- c. Transactions carried out according to a sales contract between a Vietnamese company and a foreign company without a representative in Vietnam, and delivered to another company in Vietnam according to the designation of the foreign trader

At the General Bureau of Customs Seminar held on June 12, 2023, the current domestic import and export system did not conform to other current laws such as the Commercial Act, Foreign Trade Management Act, and Import and Export Tax Act, suggesting revision or abolition of three types of domestic import and export. (above a, c repealed, b revised)

The major changes in the repeal of sections a and c are as follows:

1) Repeal of Section A

- In the case of carrying out toll processing for overseas traders, and delivering the produced goods to other companies in Vietnam designated by foreign traders
- Currently, the final purchasing company in Vietnam pays customs duties and VAT while proceeding with on-spot import.
- If this provision is abolished and transactions in Vietnam are regarded as general VAT transactions, toll-processing companies must file a report on change of use (A42 CD) before delivering finished processed products to Vietnam, and pay customs duties and VAT on the duty-free raw materials used in the product. After this, the transaction is changed to domestic sales (transaction subject to VAT).

2) Repeal of Section C

- For goods manufactured in Vietnam

Currently, on-spot export can be applied while producing products according to overseas orders and supplying them to companies in Vietnam designated by overseas traders. Manufacturers in Vietnam receive duty-free raw materials under conditions of liability, and when supplying manufactured products, this can be recognized as exports.

If this is changed to be regarded as a domestic transaction rather than recognized as export, manufacturing and exporting companies in Vietnam must file a change of use report (A42 CD) before delivering the product to Vietnam if there are duty-free raw materials used in the product. After paying customs and VAT, it is changed to domestic supply.

- In the case of trading

Foreign traders who do not have an agent in Vietnam must sign an agency contract with a company in Vietnam or issue VAT (including business numbers of foreign sellers and domestic buyers) to buyers in Vietnam.

According to the current laws, customs duties on raw materials imported for the manufacture and processing of exported or on-spot exported products can be imported under duty-free conditions, with condition of export and settlement reporting (Liquidation). However, if the above items a and c are abolished, in the case of on-spot toll processing for export or manufacture of on-spot export goods, excluding cases delivered to EPE or FTZ, the report of the change of use must be made and pay the customs duties that are exempted on the duty-free raw materials used in the product before delivery to Vietnamese companies.

However, currently, when there are raw materials imported for the manufacture of the exported goods and tariffs are paid, and if the raw materials are eventually exported overseas after going through "several transaction stages", there is no law to get the tariff refunded (Korea 'basic raw material tax payment certificate system', etc.) in Vietnam.

The above is a "plan" that is currently being discussed for the revision and abolition of regulations related to on-spot import / export. The General Administration of Customs plans to hold additional seminars related to the revision of this law, and it is stated that it will collect opinions and establish alternatives, so it is expected that new contents will be continuously announced on this issue. We will continue to inform you if new information is confirmed in the future.



FTA and import/export practical business guide **Tips for Importing and Exporting Carry-on Items**

Recently, as the Covid situation came to an end, business trips and traveling overseas that have been postponed are increasing. Most travelers purchase various items and bring them into the country while traveling abroad or on a business trip, and this might cause unexpected situations when leaving or entering the country. Therefore, we would like to provide information on customs clearance for carry-on items that are easy to miss.

1. Carry-on items declaration procedure

- Definition of carry-on items

- 1) Personal items and personal accessories recognized as normally necessary for travelers to carry
- 2) Occupational tools recognized as necessary for the person's job by non-resident travelers
- 3) Items that are recognized as belongings of ordinary travelers or unaccompanied items in nature, quantity, price, use, etc.



Oh Kyu Tae

Branch Manager/
Customs Attorney
ktoh@shcs.kr

[PROFILE]

- SHINHAN Customs
- Import/Export Customs Clearance
- Foreign exchange
- Trade transaction advisory

2. Subject to report

- Items exceeding duty-free limit
- Items for company use such as commercial items, repair items, and samples
- Guns, swords, gunpowder, gas sprayers, electroshock weapons, crossbows (including parts, simulated or decorative items), toxic or radioactive substances, and wiretapping equipment
- Narcotics such as opium poppy, opium, and coca leaves, psychotropic drugs, cannabis and their products, and drugs that may be misused or abused
- Items such as books, photos, video tapes, films, LDs, CDs, CD-ROMs that hinder the constitution, public security, and manners and customs
- Items that leak government secrets or are used for espionage
- Counterfeit, altered, imitated currency, bills, banknotes, bonds and other marketable securities
- Animals (including meat, skin, and hair), plants, fruits, vegetables, live aquatic organisms, agricultural and livestock products (including processed products), and other foods
- Living wild animals and plants protected by the Convention on International Trade in Endangered Species (CITES) and products and processed products made using them (tiger, leopard, elephant, ostrich, hawk, owl, cobra, turtle, crocodile, sturgeon, coral, orchid, cactus, aloe, their stuffed goods, fur, ivory, handbag, wallet, accessories, liquid medicines using gallbladder gall, musk, etc., herbal medicines using wood aroma, Gastrodiae Rhizoma Powder, etc.)
- Items infringing on intellectual property rights such as trademark rights
- Items that temporarily departing travelers and flight attendants take out after reporting for carry-out when leaving the country, and then bring back in
 - Personal items, personal accessory items, and items for a job that travelers temporarily entering the country will use during their stay and then take them out again when leaving the country.
 - Items to be stored at customs with no intention of bring them in and taken out upon departure (including items to be transported to the destination by changing the carrier (occupier) after transit)
- In accordance with Article 5-11 Paragraph 1, Article 6-2 Paragraph 2 and Article 6-3 Paragraph 1 of the Foreign Exchange Transactions Regulations, payment methods exceeding USD 10,000, etc.

1) Export declaration (hand carry export)

In the case of a company, when the person in charge hand carries and delivers goods directly on an overseas business trip (hand carry export), export declaration must be made considering the receipt of foreign currency, zero tax rate, and export performance, and especially for expensive equipment or products, export declaration must be made for insurance coverage.

Before leaving the country, obtain an export declaration certificate from a customs broker and present the export declaration certificate issued to a customs official to confirm loading before leaving the country. The Customs Act stipulates that loading should be carried out within 30 days after receiving an export declaration, and fines will be imposed in case of violation.

- ※ Incheon International Airport Terminal 1, 3rd floor Departure Hall D, J Area / Terminal 2, 3rd floor D, E Area Customs Desk
- ※ How to register after leaving the country without loading registration -> Shipping documents, passport of the departing person, flight ticket number, export confirmation message, etc.

2) Import declaration (import declaration of detained goods, etc.)

In the case of expensive goods that exceed the duty-free limit, if the value exceeds USD 800, tax is paid through voluntary declaration and brought into Korea. Items that are not voluntarily declared or items subject to general import declaration among items that exceed the duty-free limit are subject to detention, and a detention card is issued.

When the detention card is delivered to the customs officer, you can officially proceed with import customs clearance by presenting the detention card and the import declaration certificate, paying the storage fee and retrieving the detained item at the carry-on items clearance department of the customs office located in the passenger terminal.

- ※ When making an import declaration, be sure to check the report number on the detention card and check the code before making an import declaration.
(Since work shift of carry-on items inspectors change, check with the customs clearance department before making the declaration)



(별지 제3호 서식)

휴대품유치증(세금계산서)
CERTIFICATE OF CUSTOMS CUSTODY



성명 Name	[Redacted]	신고번호 Declaration No	[Redacted]
생년월일 Date of Birth	[Redacted]	TAG 번호 Tag No	[Redacted]
여권번호 Passport No	[Redacted]	중량 Weight	18.50 Kg
전화번호 Telephone	[Redacted]	휴대폰번호 Cellular Phone	[Redacted]
주소 Address	[Redacted]	기(선)명 Flt/Ship No	[Redacted]
일락(유지)회수 No of visits	[Redacted]	입항일 Arrival Date	[Redacted]
증서기간만료일 Expiration Date	[Redacted]	수령일 Permit Date	[Redacted]

순위 No	품명 및 규격 Description of Articles	수량 Quantity	세번번호 HS Code	주세율 Liquor Tax Rate	(기타세목) Other Taxes	비고 Remark (면세부호) (Duty Free Code) 원산지 (ORIGIN)	
		단위 Unit	과세가격 Customs Value	세 Liquor Tax	가산세 Penalty Tax		
		평가방법 Evaluation Method	관세율 (임정관세율) Duty Rate	개별소비세 Individual Consumption Tax Rate	부가가치세 Value-added Tax		
			관세 Customs Duty	교육세 Education Tax Rate <th>교육세 Education Tax</th> <th>세액계 Total</th> <td></td>	교육세 Education Tax	세액계 Total	
001	기타 산식물(생화 등) [화훼식물(생물채취 검시결과 무류 등관예정)]	4		무			16.5 KG
		CT	W	무		W	
			W	무		W	
			W	무		W	



결 제	검사자	부부	조정	주무	과장	세관장	합계 Total	환율 Exchange rate

세관장(관세사)의 훈령, 관세 및 보관료에 관한 사항을 알리니 반송합니다.
Instructions were given by a customs inspector about customs clearance, returning of goods and charge for items under custody.

유치된 단품의 1개월에 동건이나 반송하지 않으면 관세입에 따라 공매처분되거나 국고에 귀속됩니다.
The detained article will be put up at a public auction or become government property, if they are not cleared or taken back from the Customs area within one month from the date of detention, in accordance with the Korea Customs Act.

휴대품유치증 및 관세 및 보관료에 관한 자세한 사항은 면지나 운송물지시서입니다.
For more information about customs clearance, returning of goods and charge for items under custody, please refer to the annexed document.

세관 검사관(관세사)의 훈령, 관세 및 보관료에 관한 사항을 알리니 반송합니다. (여행자 또는 인)
Instructions were given by a customs inspector about customs clearance, returning of goods and charge for items under custody. (Traveler's Signature)

항공기 안전운행 및 승객의 생명과 재산은 보호하기 위하여 승객이 휴대하는 손荷物 20리터, 폭발물, 화약류, 폭발물, 액체류
For safe aviation and to protect the life and safety of passengers, certain items such as firearms, swords, explosives, inflammables, and liquids
(주류, 화약류 등)은 기내 반입(중대) 금지되어 있으므로 반드시 항공사 승무원에게 수화물로 위탁하여야 합니다. (☎1577-2800)
(including alcohol and cosmetics) are prohibited from carrying on board and must be checked in by the airline.

반송물품 찾는 곳: [제1여객터미널(+82-32-722-4456)] 제2여객터미널(+82-32-723-5120) 미정

현재 입국하신 곳은 제1여객터미널입니다. 제2여객터미널로 변경하여 반송하고자 하는 여행자께서는
항공기 출발 24시간 전까지 전화 예약한 경우에 한해 반송 가능함을 알려드립니다.
You've arrived at Terminal 1. Please be advised that if you wish to get your item back at Terminal 2,
you are request by phone at least 24hrs before your departure.

210mm×297mm 일반용지 60g/m² (제화요부)



3) Carry-out report for carry-on items

In the event the goods carried by the traveler are not purchased overseas, but purchased domestically and intended to be brought back into the country, the traveler can report the carry-out items to the customs officer and receive a confirmation of carrying-out of carry-on items when leaving the country, which can be presented as proof when entering the country. At this time, the traveler can present a receipt or warranty certificate purchased in Korea as a way to prove the domestic purchase.



Contents and Opinion of Customs Trade Amendment **Partial Amendment of 「Notice on Import Customs Clearance Procedure」**

1. reason for Amendment

- Among goods subject to preliminary tax review, for reduction or exemption of goods for the person with disabilities and cases of import declaration in installments by AEO companies, the electronic submission of necessary documents to be attached, which were previously submitted in paper form, was allowed to improve the convenience of declarants.

- In the case of disguising imported goods as subject to small amount tax exemption or exemption from confirmation of import requirements for import customs clearance by dividing the B/L even though it is a regular import item, the B/L declaration by installments is restricted to prevent tax evasion and import requirement evasion.



Kim Tae Kyung

Customs Attorney
tkkim@shcs.kr

[PROFILE]

- SHINHAN Customs
- Corporate audit
And investigation
- Foreign exchange
- Trade transaction
advisory

When penalty tax is imposed, the taxpayer's right to know is guaranteed by changing the form of the payment bill to clearly notify the calculation basis for each tax item so that the details of the tax disposition can be revealed through the payment bill itself.

2. Major Amendment

- Allows electronic submission of documents to be attached for import declaration in installments by AEO companies (Article 15)
- In the case of import declaration of goods subject to preliminary tax review, for the reduction or exemption of goods for the person with disabilities* and the import declaration in installments by AEO companies**, the electronic submission of necessary documents which have been submitted in paper in the past is allowed to improve the convenience of import declaration for declarants

* Customs duty reduction and exemption pursuant to subparagraph 4 of Article 91 of the Act and value-added tax exemption pursuant to the Value-added Tax Act

** In the case of import declaration in installments of parts by utilizing the take-out system before acceptance of import declaration pursuant to Article 252 of the Act

- Restrictions on B/L division for avoidance of import requirements and small tax exemption (Article 16)
- Block the attempts to evade verification of import requirements when the importer makes the B/L declaration in installments for the general imported goods that are not subject to exemption by abusing the system that domestic residents are exempted from import requirements* for goods brought in by mail from overseas through e-commerce for their own use.
- * Article 12 Paragraph 1 Subparagraph 3 of the Integrated Public Notice, Article 19 of the Enforcement Decree of the Foreign Trade Act, Article 19 of the Foreign Trade Management Regulations
- The application of tax exemption by dividing taxable foreign goods imported with one B/L and declaring within the range of tax exemption in order not to pay customs duties* is prevented.

* In accordance with Article 45 of the Enforcement Rule of the Act (Goods for Small Amounts Exempt from Customs Duty) Paragraph 2 Subparagraph 1 and Article 68 of the Import Notification (Based on Combined Taxation), for import customs clearance of taxable goods that are imported into one B/L and are divided within the range of duty exemption, application of small amount duty exemption is excluded.

- Taking out of goods subject to customs review for agreement tariffs prior to acceptance of import declaration is permitted (Article 38)
- pursuant to the proviso* of Article 8 (4) of the 「Act on Special Cases of Customs Act for Implementation of Free Trade Agreement」, taking out of the goods that are subject to the agreement tariff review prior to acceptance of import declaration is allowed when determining the country of origin takes a long time.

* Goods that are determined by the Ordinance of the Ministry of Strategy and Finance that are difficult to secure customs bonds or it is recognized that it is inappropriate to review the country of origin or the appropriateness of the application of conventional tariffs after accepting an import declaration, are reviewed before accepting an import declaration.

- Modification of payment bill format (Appendix No. 5, No. 8)
- The form of the payment invoice is changed to clarify the basis for calculating the penalty tax by subdividing by tax item, providing taxpayers with detailed information on the details of the tax disposition, and improving the convenience of decision-making and filing of complaints

3. Comments on the Amendment

The possibility of using the take-out system before acceptance of import declaration has increased, such as allowing AEO companies to submit attached documents electronically for the case of import declaration in installments and allowing taking out of goods subject to agreement tariff customs review prior to acceptance of import declaration.

B/L division for the purpose of avoiding import requirements and small tax exemption is restricted. Through the change in the form of the payment bill, it is now possible to easily understand the calculation basis for the imposition of penalty tax.

4. effective date

Effective on May 3, 2023

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