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SHINHAN Customs Service Inc.



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“Corea Hurrah!”* Korea Liberation Journal



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On March 26, 1910, Jung-Geun Ahn, a lieutenant general of the Great Korean Army, was executed.

On August 15, 1945, the Korean people were liberated and their sovereignty was restored. After winning the Sino-Japanese War and the Russo-Japanese War, the Japanese Empire took possession of the Korean Empire. Starting with the Korea-Japan Protocol in 1904, the Eulsa Treaty was signed the following year, depriving the Korean Empire of diplomatic rights and establishing the Office of Supervisor. In 1907, the 7th Treaty of Jeong-mi stripped the executive and legislative powers and disbanded the military. In addition, the assassination of Empress Myeongseong and the abdication of Emperor Gojong were making the Korean Empire de facto Japanese territory.

Finally, on August 29, 1910, the Korea-Japan Annexation Treaty was announced. The Korean Empire fell and Japan's occupation began. The independence movement for national liberation continued to denounce the forced aggression. According to the report of the Ministry of Internal Affairs and Communications, 'Even though the royal authority had already collapsed and the high government officials had handed over the sovereignty, the people in every village in Joseon stood up again and again.'**was recorded. The forcibly disbanded soldiers also joined the voluntary troops to protest against the Japanese occupation. A result of the sweeping operation toward the voluntary troops against the Japanese, the volunteers moved to Manchuria, and the armed resistance of the independence army came alive in Manchuria.

October 26, 1909. Ahn Jung-Geun was at Harbin Station in Manchuria. He left his family two years ago and was living in North Gando and Vladivostok. He traveled to various provinces and gave speeches to Koreans to collect donations for voluntary soldiers and fought against the Japanese as a commander of

the Independence Army. He fought over the hurdles of death with a mindset 'With the weak, get rid of the strong, and with humanity, fight against evil.'

It was a difficult journey to protect the independence of the country. And, looking at the end of the journey, he boarded the train to Harbin. Heading out from the east end, he prepared to meet Ito Hirobumi, coming from Dalian in the west. The aggression of Japan toward Korea was getting more severe. 'Peace in the East', which was put forward at the start of Russo-Japanese War was a cover to hide the malevolent intention. At the center of that strategy was Ito Hirobumi . Arriving in Harbin, Ahn Jung-geun meticulously prepared for the assassination of Ito Hirobumi.

Bang! Bang! Bang! Three bullets carrying Ahn Jung-Geun's body flew. Ito Hirobumi, Japan's prime minister as well as the first general secretary of Joseon, collapsed on a platform at Harbin Station. He was bogged down by the 'simple security' that he ordered to hide the evil purpose inside. The best opportunity has been opened to Ahn Jung-Geun. When the Russian military police arrested Ahn Jung-Geun, Ahn Jung-Geun cried out. *Corea Hurrah! Long live Korea!*

It was an act of determination to stop the reckless run of the Japanese Empire and achieve national liberation. As a person who was awake and did not give up, it was the courage of youth that drew the passion of the nation and allies. The peace pursued by Ahn Jung-Geun was a way for Korea, China, and Japan to maintain their independence and mutually support each other. Ahn Jung-Geun spoke constantly in the courtroom as well as during interrogation by Japanese prosecutors. His final words at the execution room were also, "Since my action was for the peace in the East, I hope that the members who attended will also contribute to the peace of the East by striving for harmony between Korea and Japan in the future."^{***}

Analysis on Recent Customs Judicial Precedent covers 'Interpretation of Classification of Nonwoven Fabrics and Application of Tax Rates(2022, 0076)', and HS case solved by logic reports 'Item Classification of X-Ray Detector' and Global Customs Insight is 'Changes in Documents to be Submitted for Vietnam On-Spot Export Declaration', and FTA and import/export practical business guide is 'Management System for Imported Goods Distribution History'. In addition Contents and Opinion of Customs Trade Revision is 'Partial Revision of 'Notice on Operation of Monthly Payment System.'

On August 15, 1945, we were liberated from Japanese oppression and regained our sovereignty. And 77 years have passed. I think about whether the passion of a 31-year-old young man who gave himself for the peace of the East as well as his country at a young age gets its worth. 113 years ago, Ahn Jung-Geun ran to Harbin Station, [praying for peace for the whole country rather than for his own safety](#). He sought peace for all three countries, Korea, China, and Japan, rather than our own interests. [He hoped that his actions would spread to many young people in the future, and that more people would join the procession for peace.](#)

'Children's Liberation Army Commander-in-Chief' appeared on a recent TV program. This young man showed [passion for liberating children](#). He looked back on his life of entering and graduating from a prestigious college. It was a path that pursued only for his own interests, but it was not a happy path. Many parents are struggling to get their children on that path to prestigious colleges. [He was distressed that there was a dark greed with the cover for the happiness of children](#). He wanted to show them the way out of greed. Although they returned to their parents, the seeds for a passion for a life of liberation were sown in the children's hearts.

It is not a passion to cling to your own things or to hold on to the problems of the past. We must also escape from the competition of stepping on others for the sake of one's own advancement. [We have to step away from the mindset of 'me and mine' and keep our eyes high and wide. Ahn Jung-Geun, at the age of 31, showed us the path to true liberation. He showed us the way to go beyond me and my family, beyond my homeland, and even to neighboring countries.](#) Even if it may not happen immediately, he believed that if he goes forward with a sense of shame, fairness, and honesty, he would be able to plan for the future. "Unless a grain of wheat falls into the ground and dies, it remains alone; but if it dies, it bears much fruit." (John 12:24)

[True liberation is possible only when we are with our neighbors and free ourselves from greed. I hope that the grain of passion of 31-year-old Ahn Jung-Geun bears fruit in all of us.](#)

Thank you



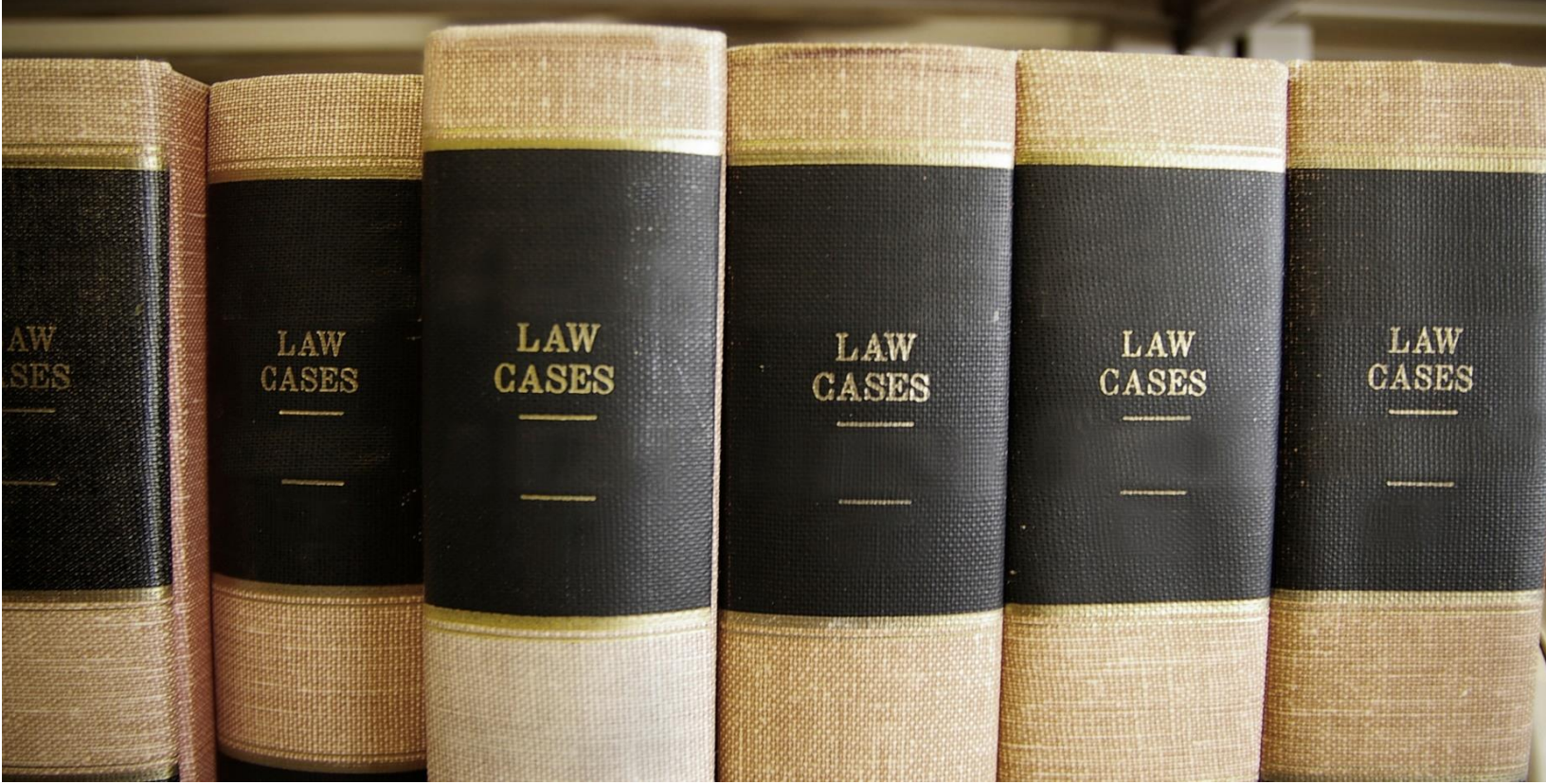
*Corea Ura (Hurray for Daehan), Ahn Jung-Geun-Wikipedia, Encyclopedia of All of Us

<https://en.wikipedia.org/wiki/%EC%95%88%EC%A4%91%EA%B7%BC>

** Kim Hoon, Harbin (Korea: Munhakdongne Co., Ltd., 2022)

***Ahn Jung-Geun, History of Eungchil Ahn(Korea: Dokdo Library Friends, 2020)





Analysis on Recent Customs Judicial Precedent

Interpretation of Classification of Nonwoven Fabrics and Application of Tax Rates (2022, 0076)

1. Facts

- The claimant imported non-woven fabric (MELT BLOWN, hereinafter referred to as "the item in question") from OO located in China from July 21, 2020 to September 15, 2020. It was reported as HSK No. 5603.12-1000 at the Korea-China FTA agreement tax rate of 3.2% (laminated non-woven fabric), and the disposal agency accepted it.

- After that, on December 2, 2021, the disposition agency notified the claimant that the item number of the item in question falls under HSK No. 5603.12-9000 (basic tax rate of 8%, other non-woven fabrics), and instructed the claimant to revise and report the insufficient tax amount due to the error in reporting the item classification, but the claimant did not report the correction. On April 8, 2022, the disposition agency then gave the correction notice to the claimant of customs duties and additional taxes.



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2. Judgment

(1) Claimant's argument

- If the nonwoven fabric falls under "impregnated, coated, covered, laminated" in the tariff rate table, it is stipulated to be classified in HSK No. 5603.12-1000. However, in the notes of Chapter 56 or the Commentary on the Tariff Schedule of No. 5603, there is no clear explanation of "lamination".

The dictionary meaning of "lamination" is to stack the textile fibers layer by layer, "penetration" is to soak the textile fibers with liquid, and "application" is to apply the outer surface of the textile fibers with paint, etc. "Cloth" refers to the covering of textile fibers with another material. Therefore, in the case of impregnating textile fibers with other materials or applying or covering the surface, it does not fall under "stacking", and when textile fibers are combined in double or multiple ways, it is called "stacking".

- The item at issue is that polypropylene (hereinafter referred to as "pp") resin granules are sent to the extruder through an inhaler, melted by heating, and the extruded raw material is filtered and sent to a metering pump to be weighed according to the weight and passed through the spinning tank. Lamination is made while spraying on the spray plate, and after cooling, it is laid on a tensioner net to form a shape, and then a pp nonwoven product is produced with a hot press.

The specification of the item in question is "SS nonwoven fabric (MELT BROWN)", where "S" in "SS" means spunbond, and "SS" means that it is laminated in two layers

*spunbond: Nonwoven fabric made by continuously bonding spun long fibers
The item in question is laminated non woven fabric(MELT BROWN) so it is appropriate to classify under HSK 5603. 12-1000.

(2) Claims from disposal Agency

- The commentary on Tariff Table No. 5603 explains that the nonwoven fabric is

a sheet or web in which textile fibers are arranged neatly in a certain direction or arranged randomly and adhered. These fibers come from natural or man-made sources.

These fibers are either staple fibers (natural or man-made) or man-made filaments, or are formed in situ'. In other words, non-woven fabric is made by bonding several layers of webs formed by arranging textile fibers.

In the commentary of Tariff Table No. 5603, the manufacturing process of nonwovens is largely divided into three stages: ① web formation, ② bonding, and ③ finishing. ① In web formation, there are detailed explanations of the four methods (dry-laid process, spun laid process, wet-laid process, in situ process) for forming the underlying web. ② In bonding, there are three methods (Chemical bonding, thermal bonding, and mechanical bonding) are described in detail. Finally, ③ when looking at the finishing part, 'Non-woven fabrics can be dyed, printed, penetrated, coated, covered, or laminated. For nonwoven fabrics (by gumming, sewing or other means) coated on one or both sides with a sheet of textile fabric or other material, this heading applies if the essential properties of the article are derived from the nonwoven fabric. In this classification, rubber, plastics, adhesive tapes made of non-woven fabrics coated with the mixture of rubber and plastic adhesive are included.

- In light of the provisions of Note 3 of Chapter 56, the classification system of No. 5603, and the manufacturing method of non-woven fabrics in the commentary on No. 5603, the non-woven fabric can be said to be a multi-layered web already laminated in the bonding step in the manufacturing process. Since dyeing, printing, penetration, application, coating, and lamination are made at the completion stage after the process of web formation and adhesion, "penetration, application, coating, and lamination" in No. 5603 means "penetrating, applying covering or laminating" other materials to the nonwoven article joined in the second stage that do not change their essential properties.

In the case of the item in question, the claimant claims that the item in question should be classified as HSK No. 5603.12-1000 because it is manufactured by overlapping several layers in the web forming step. However, due to the nature of the nonwoven article, a web that is formed of textile fibers must be combined in the form of multi-layer lamination. So the lamination claimed by the claimant strictly means the bonding of the web, not the lamination in penetration, application, coating, or lamination in addition to the finished nonwoven fabric

Therefore, 'lamination' in No. 5603 means that materials such as rubber and plastic are stacked on a nonwoven fabric in which the web is bonded in multiple layers. Double or multiple bonding of fiber of the same material does not correspond to the lamination of this step so it is reasonable to classify the item in question that is not laminated as mentioned in the step as HSK No. 5603.12-9000.

3. Conclusion

Considering the above facts and related laws and regulations, the claimant argues that the item in question should be classified as HSK No. 5603.12-1000 because the item in question is manufactured by overlapping several layers during the web forming stage and corresponds to a layered product. In the commentary of No. 5603, the manufacturing process of nonwovens is largely divided into three stages: ① web formation, ② bonding, and ③ finishing. In the finishing stage, fabrics may be dyed, printed, penetrated, coated, applied, or laminated.

Considering the facts, 'Dyeing, printing, penetrating, applying, coating, laminating' seems to be made in the final processing stage after the process of web formation and bonding, that the arrangement of fiber yarns that is probable to happen in the web formation or bonding stages is not expressed as 'laminated' in the above commentary, and that the item in question is not coated or laminated with a sheet of textile fabric or other material on one side or both sides, it was judged that it was difficult to accept the claimant's claim that the item in question should be classified as HSK No. 5603.12-1000.

4. Implications

In the import declaration stage, it is necessary to have a sufficient understanding of the definition of terms in the industry and the manufacturing process of the item in question, and this understanding or knowledge need to be compared and analyzed with the definition of the term in the HS classification

If the definition of a term in the HS classification is absent or insufficient, it is necessary to check whether the definition of a term defined in each industry can be applied to the definition of a term in the HS classification, and in some cases, it is necessary to confirm the applicability beforehand.

Amendment reports, additional collections, and claims against customs duties due to misunderstandings and arbitrary judgments about the definitions of terms in HS classification are increasing. As implied by this precedent, customs officers, who are importers and import declaration agents, must be fully familiar with the definitions of terms for the overall industry and process for the goods subject to import



declaration, and must be able to properly judge the definition and satisfaction of terms in the HS classification.



HS case solved by logic
Item Classification of X-Ray Detector

1. Overview

X-rays are probably the first thing we do when we get hurt or have respiratory problems in our daily life. X-ray equipment is a diagnostic equipment that uses X-rays and is mainly used in hospitals. The tax rate of equipment used for X-ray imaging varies depending on the parts included.

In particular, unlike the existing HS CODE, the item classification change notice (No. 2022-13) was announced for the X-RAY detector among the X-RAY device components and the request for correction is rapidly increasing.



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2. Item classification example

(1) Issue HS CODE

HS	Article 9002.90-1090	Article 9002.90-9010
Tax rate	Basic tax rate 8%	Basic tax rate 8% WTO agreement tariff 0%
heading terms	Other equipment	for parts and accessories of devices using X-rays
Requirements	confirmation by the customs officer (Medical Device Act)	No requirement

(2) Existing cases of item classification (before the notice of change)

Tariff Table No. 9022 states, "Devices that use X-rays, alpha rays, beta rays, or gamma rays (regardless of whether they are for internal, surgical, dental, or veterinary use, equipments for radiation imaging or radiation treatment, X-ray tubes and other X-ray generators, high-pressure generators, control panels, screens, tables and chairs for examination or treatment, and similar articles) are included." Commentary on Tariff Schedule No. 9022 lists "a device for direct imaging (a device that records X-rays that have passed through a body to be tested directly on a dry plate or film for photography)" as an example of a diagnostic X-ray device that uses X-rays, and includes "X-ray tubes, other X-ray generators, X-ray screens, high-pressure generators for X-rays, control panels for X-rays, tables and chairs for X-ray examination or treatment, and similar articles (regardless whether it is attached to or separate from X-ray equipment) under this heading.

This product is used exclusively for X-ray imaging equipment and is a device for imaging a photographed image by the action of a flat sensor that responds to X-rays. This is classified in No. 1090 (Item Classification Division 2-4610 /2014-07-11) as stipulated in Regulation No. 1 & 6 of the general rules for the interpretation of the tariff rate table.

(3) Cases of Item Classification Change (After Notice of Change)

Regarding 'X-ray screen' in the commentary for the same issue, "The fluoroscopy screen is a phosphor coated on the surface and receives radiation on it. The surface of the phosphor is usually composed of barium cyanoplatinate, cadmium sulfide, and cadmium tungstate."

(I) Equipments using X-rays, (II) Equipments using Alpha, Beta and Gamma rays, (III) X-ray tubes and other X-ray generators, high-pressure generators, control panels, screens, examination or treatment tables, chairs and similar articles, and parts and accessories

-It is a device that after converting the X-rays into light in a scintillator (phosphor), converts light into an electrical signal in a photodiode. It is a key part dedicated to X-ray equipment.

- Therefore, this article is a part of a diagnostic X-ray equipment, and is classified in No. 9022.90-9010 according to the general rules for the interpretation of the tariff rate table Nos 1 & 6 (Item Classification Section 3-1379, March 14, 2022).

3. Classification Review

The reason the Item Classification Committee made the decision and notified the change is because the detector can be viewed as a device that replaces the X-ray screen of the past X-RAY equipment. Since the description of the X-ray screen is listed in the heading manual and it is classified as a part in the heading term, it should be classified as a part 9022.90-9010 as it is an exclusive part rather than a separate device.

4. Requirement issues such as subject to confirmation by the head of the customs

As shown in the table above, if the HS code is changed to No. 9022.90-9010 and item classification is proceeded, it may appear to be excluded from the subject of the standard customs clearance report of the Medical Device Act, but the integrated notice continues to apply the Medical Device Act. Thus, it would be reasonable to apply for a standard customs scheduled report prior to the import declaration as done before and go through customs.



Global Customs Insight

Changes in Documents to be Submitted for Vietnam On-Spot Export Declaration

On August 12, 2022, the General Administration of Customs of Vietnam (GDC) issued the official Dispatch No. 8042/BTC-TCHQ with the change in documents to be submitted for on-spot export (or indirect export).

- * Vietnam's on-spot exports (same for indirect export, domestic export, on-spot export, etc.)
- Transactions between domestic enterprises and export processing enterprises (EPEs), or between domestic enterprises and enterprises located in free trade zones, or
- A transaction in which a domestic company delivers goods to another domestic company designated by an overseas contractor according to a 'processing contract or export contract between an overseas contractor and a domestic company'



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Previously, for on-spot export declaration, a VAT invoice needed to be submitted, but this official announcement specifies that a warehouse-out slip (or internal delivery slip) must be submitted.

Accordingly, the procedure has been changed that on-spot export declarations are accepted only when a warehouse-out slip (or internal delivery slip) is issued and written on the export CD, and with the export CDs, VAT invoice issuance on the premise is possible.

In the past, it was a common practice that during on-spot export, companies usually transported goods before export declaration, and declared once a month for a month's worth transfer. However, since VAT invoices can be issued only with export CDs, this measure induces export declarations every time cargo is shipped and transported.

This applies to export processing enterprises and domestic enterprises that declare and pay VAT using credit invoicing methods for enterprises located in non-tariff zones (including export processing facilities) as follows

1. For on-spot export customs clearance, the export declaration (Export CD) needs to go through the customs procedure stipulated in Paragraphs 1 and 58 of Circular No. 39/2018/TT-BTC (2018.4.20) Paragraph 1, and submit warehouse-out slip (or internal delivery slip) instead of a VAT invoice to the customs authorities through ECUS in accordance with Decree No. 13(3) c of 123/2020/ND-CP.
2. In case of on-spot import customs clearance, the import declaration form (Import CD) must go through the customs procedures a stipulated on Circular No. 39/2018/TT-BTC (April 20, 2018) Paragraph 1, Paragraph 58, and submit customs documents and a copy of the VAT invoice to the customs authorities through ECUS.



※ This content was composed and reorganized by Shinhan Customs Corporation based on local distribution materials in Vietnam and has no legal effect.

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FTA and import/export practical business guide
Management System for Imported Goods
Distribution History

1. Overview

In order to protect domestic consumers and producers from defective and low-quality imported goods and to establish a sound market order, the Commissioner of the Korea Customs Service requires that some imported goods report their distribution history after importation. Importers and distributors of goods subject to distribution history reporting as stipulated in the Notification on Distribution History Management of Imported Goods by the Korea Customs Service must report the distribution history within 5 days from the date of transfer when transferring the relevant goods to a retailer, final consumer, or general consumer.

Importers are required to pay special attention as they may be subject to a fine for negligence if they do not report the history when the product is subject to distribution history.



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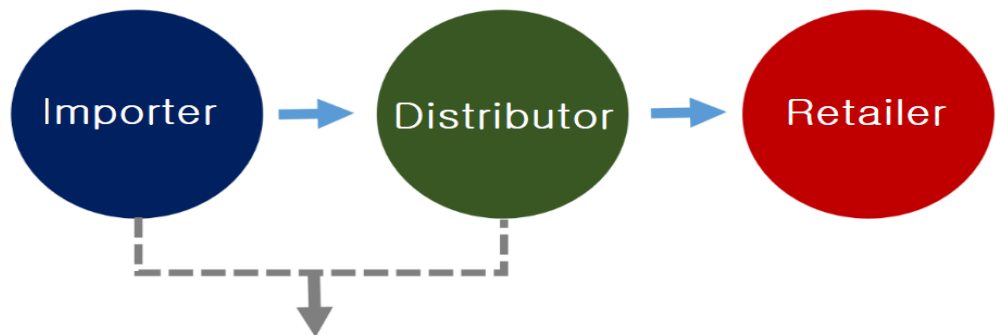
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- FTA Consulting

2. Effect of Imported Goods Distribution History Management

Since systematic distribution history management is possible after import customs clearance, the apprehension about imported foods can be relieved. The management system can keep the health of the general population from the defective and low quality imported foods and can protect the domestic consumers as well as the producers. In addition, it is possible to establish a sound market order by preventing suppliers from acquiring unfair profits.

3. Persons obligated to report distribution history

Importers and distributors of goods subject to distribution history report. A wholesaler/retailer is also considered a distributor, and in particular, when transferring (selling) to final consumers such as processing plants or restaurants, distribution history must be reported.



Persons obligated to report distribution history

4. Items subject to distribution history report

“Annexed Table 1 of Notification on Distribution History Management of Imported Goods by Customs Administration” stipulates items subject to distribution history report and also stipulates the designated period for each item.

Products subject to distribution history reports can be largely divided into agricultural products and industrial products. As of August, 2022, the agricultural products are not identified and three of the industrial products are identified. They are H beams, flanges, and manhole covers.

5. How to report distribution history

When a person who is obligated to report distribution history transfers a product subject to distribution history report (including the case where the transferee re-transfers), he/she must access the distribution history management system and report the following items within 5 days from the date of transfer. In this case, the reporting period does not include the first day of transfer, Saturdays, Sundays, and public holidays.

- ① Trade name or name of transferee
- ② Business registration number (resident registration number) of transferee. When the transferee is the retailer without the business registration number (car dealers or street vendors) or private party, the resident registration number can be omitted.
- ③ Address of transferee
- ④ Weight of transfer (quantity)
- ⑤ Date of transfer
- ⑥ Other necessary matters

In principle, e-reporting through Unipass is a rule. If it is difficult to file an e-report, the import goods distribution history declaration form on "Form 1 of the Notice on Distribution History Management of Imported Goods" can be submitted to the head of the customs office.

In addition, the person obligated to report distribution history shall deliver the notice to the transferee that the transferred goods are subject to distribution history by marking the contents of Attached Table 2 on the import declaration certificate or transaction statement, or printing out a notice of duty to manage the distribution history of imported goods in Attachment No. 5.

<Attached Table 2>

These products [Among the goods subject to distribution history on the annexed table 1, the goods subject to the notification of fulfillment of the duty to indicate the country of origin pursuant to Article 11 of the 「Notice on the Operation of the Country of Origin Indication System」include goods distributed through repackaging, split packaging, simple processing, etc. After customs clearance for import] are items subject to the distribution history report of imported goods by the Korea Customs Service. The report needs to be made by accessing UNI-PASS (<https://unipass.custo.ms.go.kr>) within 5 days of transfer, or imported goods distribution history report" must be submitted to the customs. The violation of this will result in a fine of not more than 5 million won under Article 277 of the Customs Act

6. Storage Management

The person obligated to report distribution history shall keep a book and record distribution history such as the name of the transferee, the date of acquisition, the quantity (weight), the name of the transferor, the date of transfer, and the quantity (weight) of the transfer (including the electronic record method), and the books and related transaction statements must be kept for one year from the date of the transaction.

7. Fine

If a person obligated to report distribution history fails to report or falsely reports distribution history, or fails to record books or keep data, a fine of not more than 5 million won is imposed in accordance with Article 277 (3) of the Customs Act.

Classification	Charged			
	1st	2nd	3rd	4th or more
no report	500,000won	1 million won	3 million won	5 million won
False report	1 million won	2 million won	4 million won	5 million won
No record in books	500,000 won	1 million won	3 million won	5 million won



Contents and Opinion of Customs Trade Revision
**Partial Revision of 「Notice on Operation of Monthly
Payment System」**

[Reason for revision]

1. When the company that makes the monthly payment changes the customs office due to the address change, allow the company to report the change to the customs before and after the change.
2. Adjust the limit of monthly payment for the company who suffers the damage from the natural disasters(previous year—>preceding year of the reason occurrence)
3. Improvement and supplementation of some deficiencies in other operations such as form maintenance



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- Classification

[Major Amendments]

1. Expanding customs for the report on changes in approved matters for monthly payment companies (Article 5 (1))

When a customs office in jurisdiction changes due to a change of address, the criteria are relaxed so that changes can be to the customs office in jurisdiction before and after the change.

2. Extension of the base year for adjusting the monthly payment limit (Article 10 (1) 1)

(Current basis) Tax payment results for a certain quarter of the previous year x 4
(Expansion of the criteria*) Tax payment results for a certain quarter of the preceding year the reason occurred X 4

*When it is difficult to increase the limit due to the fact that the tax payment result of the preceding year was significantly low due to natural disasters as stipulated in Customs Act 10 and Enforcement Ordinance Article 2 (1) 1

3. Improvement or supplementation of some deficiencies in other operations such as form maintenance

(1) New application form for monthly payment limit adjustment (Appendix No. 2)

(2) Add company size classification to the form when applying for monthly payment approval (Appendix No. 1)

(3) Currentization of the period interest exemption criteria, etc. on the monthly payment receipt (Appendix Nos. 9 and 11)

(4) Correction of the provisions related to the Customs Act (Article 13 (2): Article 38-3 (4) → 6 of the Act)

[Enforcement Date]

2022.07.07

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