

[THIS DOCUMENT IS NOT LEGALLY BINDING, FOR REFERENCE ONLY]

Provisions for Grant of Preferential Tariff Treatment to Most Seriously Affected Countries

<Presidential Decree No.23428 Partly Amended, December 31, 2011>

Effective from January 1, 2012

Article 1

Purpose

The purpose of this Decree is to provide for matters relating to grant of preferential treatment to most seriously affected countries pursuant to Paragraph 3 of Article 76 of the Customs Act. (Amended 2000.12.29, 2006.12.30)

Article 2

Most Seriously Affected Countries

In this Decree, 'Most Seriously Affected Countries' refers to the countries specified in the attached Table 1.

Article 3

Goods Subject to Preferential Tariff Treatment and Preferential Tariff Rate

Goods subject to preferential tariff treatment and the preferential tariff rates applied to the goods shall be pursuant to the attached Table 2. In terms of goods with Minimum Market Access Quota in accordance with Tariff Concession Regulations under the WTO Agreement etc., preferential tariff rates shall be applicable to the extent of the quota of the goods.

Article 4

Remedy for Injury to the Domestic Industry

1. Head of relevant central administrative organizations or interested parties shall request for suspension of application of preferential tariff on the good in question to Minister of Strategy and Finance, in case where it is necessary to prevent any injuries to domestic industry as there is apprehension that an increase in importation of particular goods out of the Preferential tariff beneficiary goods may result great damage to the domestic industry producing a whole of the like or directly competitive products (Amended 2008.2.29).

2. Head of relevant central administrative organizations or interested parties shall submit data on the followings to Minister of Strategy and Finance in case where they intend to request for suspension of preferential tariffs pursuant to Paragraph 1 of this Article (Amended 2008.2.29).

- HS code, description, standard, use and fungible goods of the good in question;
- Description of manufacturing process and use of material input for the purpose of manufacturing the good in question and the goods made of the good in question as its raw materials.
- Record and plan of supply and demand for 1 year timeframe before and after the relevant year;
- Monthly-provided import price and record categorized by importing country for the latest year;
- Monthly-provided factory price and delivery record categorized by domestic manufacturing company for the latest year;
- Contents of the damage to the domestic industry and the suspension period of the application; and
- Other materials which help determine apprehension of serious damage to the domestic industry.

3. Minister of Strategy and Finance shall review whether or not there is a reason to suspend application of preferential tariffs, within 15 days from the date that a measure in accordance with paragraph 1 of this Article is requested, unless there is any special reason (Amended 2008.2.29).

4. In case where there is a reason for suspension of the application of preferential tariff as a result of the review in accordance with Paragraph 3 of this Article, Minister of Strategy and Finance shall determine to suspend application of preferential tariffs without delay, and publically notify the determination (Amended 2008.2.29).

5. Suspension of the application of preferential tariffs shall be effective from the date that Paragraph 4 of this Article is notified.

Article 5

Rules of Origin

1. Goods entitled to preferential tariff treatment shall be wholly obtained or produced entirely in the territory of the exporting party. Goods stated below shall be considered as wholly obtained or produced in the territory;

- (a) Minerals and other naturally occurring substances extracted or taken from its soil, waters or seabed of the exporting Party;
- (b) Agricultural and forest goods harvested in the exporting party;
- (c) Live animals born and raised in the exporting party, and goods obtained from the animals;
- (d) Goods obtained from hunting or trapping conducted in the exporting party;
- (e) Products of sea-fishing and other marine products taken from the high seas by vessels of the exporting Party. The 'vessels of the exporting Party' shall mean vessels registered with the Party and more than 60 percent of the value of the vessels is owned by nationals or government of the exporting Party or enterprises and associations etc. duly registered with the Party.
- (f) Used goods collected in the exporting party, provided that such goods are fit only for the recovery of raw materials;
- (g) Waste and scrap derived from manufacturing processes conducted in the exporting party;
- (h) Goods produced in the territory of the exporting Party exclusively from goods referred to in paragraphs (a), (b), (c), (d), (e), (f), and (g).

2. Preferential tariffs shall be applicable to final goods manufactured or processed with raw materials made outside the territory of the exporting Party or with undetermined-origin, provided that the price of the raw materials does not exceed 60% of the free-on-board value of the initial good. In this case, the price of the Korea-originating raw materials used in the production of the final good shall be excluded from the price calculation of the raw materials (Amended 2011.12.30).

3. Price of raw materials stipulated in Paragraph 2 of this Article shall be calculated on the basis of the following order.

- Price at the importation to the exporting Party (cost of freight and insurance inclusive);
- The first ascertainable price paid in the exporting Party;

4. Persons claiming preferential tariff treatment shall submit the forms of Certificate of Origin issued by the government of the exporting Party or authority designated by the government.

5. Matter in relation to acceptance of country of origin other than those covered in Paragraph 1 to 4 shall apply Article 236 of Enforcement Decree of the Customs Act (Amended 20000.12.29, 2006.12.30).

ADDENDA
(No. 23428, December 30, 2011)

Article 1
Enforcement Date

This decree enters into force on January 1' 2012.

Article 2
Case of Application

This decree shall apply to the first import declaration for a good after this decree enters into force.