

Korea Customs and Trade Update

November 2023

UPDATES

- **Administrative Notice: Enactment of provisional anti-dumping duties on Egyptian white Portland cement**

- Reasons for imposition: Based on the preliminary investigation results of the Trade Commission on Egyptian white cement, it has been decided to impose provisional anti-dumping duties on the product for a period of 4 months as there exists sufficient evidence presuming the existence of the fact of dumping and the fact of material injury, etc. caused thereby with respect to the relevant goods, and in order to prevent any injury which could arise during the investigation period.

- Target exporting country: Egypt

- Target product: White Portland Cement (HSK 2523.21-0000)

- Imposition Period: 2023.11. ~ 2024.03. (4 months)

- Target suppliers and provisional anti-dumping duty rates

Exporting Country	Supplier (Exporter/Producer)	Provisional Anti-Dumping Duty Rate
Egypt	Royal Cement(Royal El Minya Cement Co.) and its affiliates, and those who export the products of the company	72.23%
	Other suppliers	72.23%

- **Amendment: 「Enforcement Decree of the Traffic, Energy and Environment Tax Act」 and 「Enforcement Decree of the Individual Consumption Tax Act」 - Extension of the deadline for flexible tax rate reduction to alleviate fuel cost burden**

- In order to alleviate the burden of fuel costs on the citizens due to high oil prices, the deadline for the reduction of flexible tax rates applied to traffic, energy, and environmental taxes on gasoline, diesel, and similar alternative fuels, as well as individual consumption tax on butane among petroleum gases, has been extended from 'October 31, 2023' to 'December 31, 2023', providing a two-month extension.

- **Amendment Proposal: 「Notice on the Operation of Export Clearance」 (Customs Service Notice No.2023-7)**

- Amendments:

- On-board export declaration is permitted for domestically manufactured steel products (HS Chapter 72) which are loaded on bulk carriers and declared for export.

- Establishment of a method to confirm the loading of goods that are not ship or aircraft supplies but have been declared and accepted for the purpose of being installed and used in the relevant means of transportation.
 - Incoterms 2020 revisions are reflected in the export declaration form instructions.
 - Modification of the export declaration certificate format to reflect notice amendments, etc.
- **Latest trends in origin verification by KCS, for goods exported from Korea**
 - Upon the request of importing country's customs authorities, origin verification for exported goods needs to be conducted by KCS in accordance with relevant agreement concluded with the country of import.
 - The main targets for origin verification for exported goods include:
 - (1) Export goods for which a certificate of origin has been issued in accordance with the FTA agreement concluded by Korea;
 - (2) Export goods for which a certificate of origin has been issued for tariff concessions other than FTA; and
 - (3) Export goods for which a non-preferential certificate of origin has been issued by the Chamber of Commerce and Industry
 - Verification request status by FTA agreement: Among FTA contracting countries, verification requests are mainly concentrated from Turkiye, EU, India, and ASEAN.
 - Reason for verification request:
 - Primary Reasons: Verification is requested for goods exported from Korea mainly to “confirm whether the rules of origin are met.”
 - Reasons by Agreement: Turkiye often requests verification due to doubts on whether the goods meet the rules of origin. The EU raises concerns about the validity of certified exporters, while ASEAN frequently requests origin verification based on errors in the content of the certificate of origin.
- **Amendment Proposal: 『Enforcement Rules of the Customs Act』 (Ministry of Economy and Finance Notice No.2023-212)**
 - Amendments:
 - The deadline for applying tariff reduction rates to small and medium-sized companies that import factory automation products has been extended by one year from December 31, 2023 to December 31, 2024.
 - Three additional items, including machining centers, are added to the list of items eligible for tariff reduction on factory automation products.
 - Transport carts imported with semiconductor manufacturing equipment and devices attached to items for maintaining the quality are added to the list of items subject to re-export duty exemption.

AMENDMENTS

- **Foreign Trade Law** (partial amendment)
- **Regulations on the Application of Allocated Tariffs under Article 71 of the Customs Act** (partial amendment proposed)
- **Enforcement Decree of the Individual Consumption Tax Act** (partial amendment)
- **Enforcement Rules of the Value Added Tax Act** (partial amendment)
- **Individual Consumption Tax Law** (partial amendment)
- **Enforcement Decree of the Law on Transportation Energy and Environmental Tax** (partial amendment)
- **Directive on the Operation of Patent Customs Zones** (partial amendment)

OPINION



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HSK classification criteria for items classified under HS 2309.90

1. Issue

"Feed preparations for animals" are classified under HS code 2309.90 at HS subheading (6-digit) level. Under 2309.90, different kinds of feed preparations are classified separately from 8-digit HS level.

HSK 2309.90-30, where 'feed additives' are classified, includes not only "Veterinary drugs or veterinary drug-related products" defined in the Rules on Handling Veterinary Medicines for Animals, but also items categorized as "concentrated feed or supplementary feed" defined in the Feed Management Act. Consequently, some supplementary feed can fall under both 2309.90-20(supplementary feed) and 2309.90-30(feed additives), causing confusions in product classifications.

2. Conclusion

In order to enhance appropriateness and consistency of classification of items falling under 2309.90, the Korea Customs Service have clarified terminologies in domestic laws and applied them in HSK classification of products under HSK 2309.90 (Other feed preparations). Accordingly, the scope of items to be included under HSK 2309.90 are clearly defined like below:

- 2309.90-10: Mixed feed according to the "Feed Management Act"
- 2309.90-20: Supplementary feed according to "Feed Management Act"
- 2309.90-30: Feed additives as defined by the "Rules on Handling Veterinary Medicines for Animals"
- 2309.90-90: Other feeds which include concentrated feed according to the "Feed Management Act"

Through this improvement, HSK classification criteria of relevant products, which caused confusions, have become clearer, allowing the Feed industry to perform a more accurate classification.

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