

Exporting and Importing Under the U.S.-Korea Free Trade Agreement – Additional Information

What happens if someone forgets to take advantage of the preferential tariff rates immediately?

If the preferential tariff treatment is not claimed at the time the goods are imported, the importer may make a revised claim and apply for a refund of any excess duties within one year, if he/she presents:

- A written or electronic declaration or statement that the good qualified for preferential treatment at the time of importation;
- A copy of a written or electronic certification if the certification forms the basis for the claim, or other information demonstrating that the good is eligible for preferential treatment; or
- Other documentation required by the U.S. or Korean customs agencies.

How will Customs determine whether a good qualifies for preferential treatment?

Customs may verify eligibility by:

- Writing a request for detailed information from the importer, exporter, or producer;
- Writing questionnaires to the importer, exporter, or producer;
- Visiting the premises of an exporter or producer to review records and/or observe the facilities used in the production of the good; or
- Carrying out other procedures agreed to by the United States and Korea.

If Customs determines that a good does not qualify for preferential treatment, the importer will be given the opportunity to submit additional information demonstrating eligibility.

If Customs determines that an importer, exporter, or producer has provided false or unsupported statements, declarations, or certifications as to eligibility for preferential tariff treatment, they may suspend preferential tariff treatment to identical goods covered by similar statements, declarations, or certifications by that entity until a determination is reached that the importer, exporter, or producer is in compliance with the requirements. (Refer to FTA text in section 6.18, paragraphs 1,2,4 and 6.)

How will Customs determine whether a textile qualifies for preferential treatment?

Under most circumstances, Customs will verify the eligibility of textile and apparel goods using the same standards as other goods, described above. However, upon the request of either country, there may be a consultation to consider whether or not the rules of origin should be applied to a particular textile or apparel good concerning fibers, yarns or fabrics in the territories of the parties.

Consultations should be concluded within 60 days. If the consultations result in a revision of the rules of origin, the revision will supersede any prior rule for those goods. (Refer to FTA text section 4.2.)

What advanced customs rulings can be issued?

Each customs agency may issue a written advance ruling at the request of an importer, exporter, or producer, clarifying

- Tariff classification
- The valuation criteria for a particular case according to the Customs Valuation Agreement
- The application of duty drawback, deferral, or other relief from customs duties;
- Whether a good is originating;
- Whether a good re-entering a territory for repair or alteration is eligible for duty free treatment.
- The country of origin marking;
- Whether a good is subject to a quota or tariff-rate quota
- Other matters decided at a later date