

Korea Customs Service (KCS)

- Korean legal framework regarding E-commerce -



<input type="checkbox"/>	<input checked="" type="checkbox"/>
Initiative / Pilot Date of implementation	Existing Practice
General Overview <i>(Please tick one or more, as applicable)</i>	
Simplification of Procedures for E-Commerce	<input checked="" type="checkbox"/> Safety & Security
Revenue Collection	<input type="checkbox"/> Cooperation between Customs/Express
Data Exchange	<input type="checkbox"/> Cooperation between Customs/Post
E-commerce at Glance (e.g., De Minimis threshold)	Stakeholders Involved
<p>Customs Duty: Goods that not exceed <u>US\$150</u> and recognized to be intended for personal use are exempted from duties and taxes.</p> <p>Taxes (VAT/GST):</p> <p>Gift :</p> <p>Commercial Samples: In general, the total duties and taxes which are less than KRW10,000 (around US\$9) are exempted from payment</p>	<p>Customs Administration <input checked="" type="checkbox"/></p> <p>Postal Operator <input type="checkbox"/></p> <p>Express Service Providers <input type="checkbox"/></p> <p>E-Vendors/Paltforms <input checked="" type="checkbox"/></p> <p>Other Governmental Authorities <input type="checkbox"/></p> <p>Consumer <input type="checkbox"/></p> <p>Others (Please specify): <input type="checkbox"/></p>
Brief Description of the Initiative / Existing Practice	
<p>With booming E-commerce, Korea Customs Service swiftly established E-Commerce provisions in Customs Act, on Dec 29, 2000, to expedite Customs clearance of goods. Relevant Notices also stipulate detailed provisions about E-Commerce, as mandated by the Customs Act and the Enforcement Decree thereof.</p>	

Process and Activities associated with the Initiative / Existing Practice

- Create Customs legislation on e-commerce in alignment with existing legal structure

/	Legislation	Name of Specific Provisions
Statute	Customs Act	(Article 254) Special customs clearance for electronic commerce goods, etc
Presidential Decree	Enforcement Ordinance to the Customs Act	(Article 258) Special customs clearance for electronic commerce goods, etc
Public Notice	Relevant Public Notices	1) Notice on special customs clearance of electronic commerce goods, etc 2) Notice on affairs of import clearance for express cargo 3) Notice on affairs of export customs clearance

Customs Act

Article 254 : The Commissioner of the Korea Customs Service may separately prescribe matters necessary for customs clearance for exported or imported goods traded through digital documents, including export or import declarations and the inspection of goods and other relevant matters, as prescribed by Presidential Decree

Enforcement Decree to the Customs Act

Article 258 : The Commissioner of the Korea Customs Service may prescribe otherwise the following matters with respect to export and import of goods traded through digital documents under Article 254 of the Act:

1. Goods or companies subject to special customs clearance;
2. Methods of and procedures for import and export declarations;
3. Methods of paying customs duties, etc.;
4. Methods of inspecting goods;
5. Other matters deemed necessary by the Commissioner of the Korea Customs Service

Notice on affairs export customs clearance

Paragraph 2 of Article 35 (Export Declaration of e-commerce goods)

A declarer may not fill out some items of export declaration form, as per “Completion Instruction for export declaration form”, in case where goods to be exported is worth 2million KRW or less(FOB), and falls under one of any following cases:

1. The goods are exported by e-commerce exporter
2. The goods are declared via a computerized network system (hereinafter referred to as “E-commerce export declaration platform”)

Paragraph 3 of Article 35 (Declaring E-commerce exporters, etc)

- ① An E-commerce exporter, who intends to declare export as per provisions prescribed in Paragraph 2.1 of Article 35, shall fill out the form of No.13 set out in Annex, and before export declaration, lodge the form to the Collector of Customs House in jurisdiction.

Key Enablers <i>(Please tick one or more, as applicable)</i>	Relevant WCO Instruments and Tools
<input type="checkbox"/> Review and update of <i>De Minimis</i> <input checked="" type="checkbox"/> Changes on legal framework <input type="checkbox"/> Creation of IT System <input type="checkbox"/> Private Sector (Political Will) <input type="checkbox"/> Exchange of information with stakeholders <input type="checkbox"/> Other (Please specify):	
Value Proposition [Benefits] of the Initiative / Existing Practice	
<p>Implication: The said provisions lay down the legal basis that facilitate not only import/export Customs clearance and define tasks assigned to Customs , but also stipulate support activities for overseas buyers and intermediaries.</p> <p>1. Import Clearance</p> <p>1.1 (Simplified Customs clearance procedure) The low-value goods for personal use (US150\$, FOB) are exempt from import declaration and some goods are subject to duty-exemption clearance. Express cargoes are list-cleared based on simplified declaration/IGM, and postal items are tax-exempted on the spot.</p> <p>1.2 (Companies subject to special Customs clearance) A Korean E-Commerce company declares itself to avail special Customs clearance to KCS, and then the company's law compliance is assessed, and based on which clearance benefits are granted to the company. --Requirements: Korea telecommunication sales business registration/business registration and server-based in Korea --Clearance Benefits: working on streamlining Customs clearance for E-Commerce, by providing the following benefits:</p> <ul style="list-style-type: none"> i) Expedited clearance, such as inspection rate adjusting to law compliance evaluation that takes into account declaration integrity and clearance legality; and ii) Education on complex clearance procedure <p>2. Export Clearance</p> <p>2.1 (Simplified Customs clearance procedure) E-commerce goods are eligible for a simplified E-Commerce export declaration with fewer data items to declare. Goods worth 2million KRW or less (FOB), not subject to drawback, may be declared to Customs just by submitting an invoice, simplified export clearance list, and/or list of postal items.</p> <p>2.2 (E-Commerce exporters) A Korean E-Commerce company, who declares itself as an E-Commerce exporter to KCS, may be entitled to a more simplified export declaration. --Requirements: Korea telecommunication sales business registration/business registration</p>	

--Clearance Benefits: a simplified export declaration allows exemption from Customs duties for re-import, recognition of export earnings, and value-added tax drawback.

Relevant links or documents	Contact Person for Further Information
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