Characteristics of Korea Customs Brokers System
I. Status of Trade and Customs

Increased Trade Volume

- New Era of $1,000 Billion →
- Import: $1,348, $3,326, $5,456, $10,675, $10,752
- Export: $1,348, $3,326, $5,456, $10,675, $10,752

Global Competition

- Kor-US FTA
- Kor-Chile FTA
- IMF Financial Crisis
- WTO

Unchanged Customs Personnel

- 1990: 4,427
- 2000: 3,931
- 2013: 4,525

(unit: $ billion, persons)
1. Establishment of E-Clearance System: UNI-PASS (The Internet Clearance Portal System)

- Declarant
- Food & Drug Administration
- Animal Health Products Association
- Medical Devices Industry Association
- Quarantine Service
- Customs House
- E-Clearance System Uni-Pass
II. Policy of KCS (Korea Customs Service)

2. Certified Customs Broker (Hereinafter referred to as the “CCB”) System as Customs Partnership

- **Private Role**
  - As Service Provider
    - Customs Clearance
    - Services for Clients

- **Official Role**
  - As a Customs Partnership
    - To Ensure the Efficiency of Customs Clearance Procedures

- **Public Role**
  - Formation of Trade Statistical Data
  - Establishment of Reliable Customs Clearance Procedure

Expert in Customs and Trade
### III. Declaration Status by Types of Declarant (2014)

<table>
<thead>
<tr>
<th></th>
<th>By the CCB</th>
<th>By the Owner of Goods</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Import (No.)</strong></td>
<td>16,540</td>
<td>190</td>
<td>16,730</td>
</tr>
<tr>
<td><strong>Export (No.)</strong></td>
<td>6,450</td>
<td>890</td>
<td>7,340</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22,990</td>
<td>1,080</td>
<td>24,070</td>
</tr>
<tr>
<td><strong>(Proportion)</strong></td>
<td>(95.5%)</td>
<td>(4.5%)</td>
<td>(100.0%)</td>
</tr>
</tbody>
</table>
IV. Current Status of In-Service CCB

<table>
<thead>
<tr>
<th></th>
<th>A Former Customs Officer</th>
<th>General</th>
<th>Total('15.6')</th>
</tr>
</thead>
<tbody>
<tr>
<td>License Holding(No.)</td>
<td>2,244</td>
<td>1,853</td>
<td>4,097</td>
</tr>
<tr>
<td>In-Service(No.)</td>
<td>837</td>
<td>973</td>
<td>1,810</td>
</tr>
<tr>
<td>(Proportion)</td>
<td>(54%)</td>
<td>(46%)</td>
<td>(100%)</td>
</tr>
</tbody>
</table>
V. Registration and Commencement of Services

- **Procedures**

  1. **Qualification**
  2. **In-Service Training**
  3. **Registration**
  4. **Report on Comment-cement**
  5. **Starting Service**

**General**
- Pass the Licensure Examination
- 6 Months (KCBA)
- KCBA
- Customs House
- Individual Joint Corporate, Etc.

**Former Official in Customs (20years)**
- Exemp from Part of Examination
- Not Apply
- Not Apply
- Not Apply
### Commencement of Services

<table>
<thead>
<tr>
<th>Individual Office</th>
<th>Joint Office</th>
<th>Customs Services Corporation</th>
<th>Customs Clearance Handling Corporation(CCHC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCB : 1 Office : 1</td>
<td>CCB ≥ 2</td>
<td>CCB ≥ 5</td>
<td>CCB ≥ 1</td>
</tr>
<tr>
<td></td>
<td>Office : 1</td>
<td>Office ≥ 1</td>
<td>Office ≥ 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capital ≥ 200 million won($200,000)</td>
<td>Capital ≥ 300 million won($300,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HQ ≥ 2 CCB</td>
<td>HQ and BO ≥ 1 CCB</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BO ≥ 1 CCB</td>
<td></td>
</tr>
</tbody>
</table>

CCHC: A Corporation which performs Customs Clearance Services limited to the transportation, etc. of goods with own equipment (An Exception for Prohibition Cooperation with No Customs Broker)

* HQ: Main Office, BO: Branch Office
VI. Main Services of Certified Customs Brokers

- Classifying of Harmonized System Customs Codes and Tariff Rates
- Ascertaining of Dutiable Values and Calculation of the Amount of Customs Duties
- Declaration of Exportation, Importation or Return of Goods
- Raising Objections and Applying for Review and Trial on behalf of Clients
- Requesting the Refund under the Customs Act, Etc.
VII. Restriction on Customs Clearance Services and Main Obligation of CCB

- **Restriction on Customs Clearance Services**
  - No Customs Clearance Services Non CCB
  - No payment for Customs Clearance Services
    Recommendation
  - No Partnership with Any Person other than CCB

- **Main Obligation of CCB**
  - Preparation and Preservation of Books (5 years)
  - Customs Clearance Service in Goods Faith and on a Fair Basis
  - Confidentiality
  - No conducting Business for Private Benefits
<table>
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<tr>
<th>CONTENTS</th>
<th></th>
</tr>
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<tr>
<td>Establishment</td>
<td>A Corporate Body by Customs Brokers Law</td>
</tr>
<tr>
<td>Purpose</td>
<td>Establishment Professional Ethics and Sound Customs Clearance Order</td>
</tr>
<tr>
<td>Supervision</td>
<td>By the Commissioner of the KCS</td>
</tr>
<tr>
<td>Membership</td>
<td>Any Registered Certified Customs Brokers, etc. should be Members of the KCBA</td>
</tr>
<tr>
<td>Delegation of Authority</td>
<td>Registration (Individual or Joint CCB) In-Service Training</td>
</tr>
<tr>
<td>Disciplinary Action</td>
<td>For any Violation of the Codes of the KCBA</td>
</tr>
</tbody>
</table>
IX. Evaluation on the Role of Customs Brokers

- Contributions to the Efficient Customs Clearance Procedures for Increasing Trade Volume
- Coordinating between Customs House and Traders, Inducing Faithful Tax Payment and Preventing Potential Claims
- Contributions to the Development of Customs Administration through Research and Suggestion Activities in the Field Job
- In charge of 96% of Total Trade Declaration, Enhancing Trader’s Competitiveness through Decreased Cost and Fast Customs-Clearing Process

➢ Faced with FTA Era, Enlarged Roles and Activities by Customs Brokers are Expected
Concerning WTO TFA Provisions

6 USE OF CUSTOMS BROKERS

6.1 Without prejudice to the important policy concerns of some Members that currently maintain a special role for customs brokers, from the entry into force of this Agreement Members shall not introduce the mandatory use of customs brokers.

6.2 Each Member shall notify the Committee and publish its measures on the use of customs brokers. Any subsequent modifications thereof shall be notified and published promptly.

6.3 With regard to the licensing of customs brokers, Members shall apply rules that are transparent and objective.
Concerning WTO TFA Provisions

- Current Status of the KCS concerning customs brokers

  6.1 ~ shall not introduce the mandatory use of customs brokers. ➔ The use of customs brokers in the process of clearance is not mandatory
  
  * Optional based on market mechanisms (maintaining clearance department inside/ commissioning to customs brokers)

  6.2 ~ shall notify the Committee and publish its measures on the use of customs brokers.

  6.3 ~ Members shall apply rules that are transparent and objective. ➔ Publication of the “Korea Customs Brokers Act”
  
  * Any certified customs broker shall take necessary measures such as insurance in order to ensure liability for such damage if he/she causes damage to a client by intention or negligence when performing his/her services. (Art 16)
THANK YOU!

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