

Measures taken by Korea Customs Service (KCS) to minimize the impact of the COVID-19 pandemic

26 March 2020

In Korea Customs Service (KCS), all-out efforts are being made to stop the spread of COVID-19 and mitigate the damage in various areas including economy inflicted by the coronavirus pandemic through the following measures.

1. Actions to speed up customs clearance and address clearance difficulties

KCS has established and operated **Customs Clearance Support Centers for COVID-19** at major Customs offices across the country, focusing its resources on safeguarding the global supply chain by facilitating the movement of inbound and outbound raw materials for importers and exporters.

In addition, KCS operates a **24/7 customs clearance system** to provide speedy clearance for sanitary products, medical devices/equipment and raw materials imports for domestic manufacturers or their sound operation.

As Chinese factories which had been shut down since early February started operation again in March, KCS temporarily designated **support teams for emergency clearance of raw materials** at several Customs offices including Incheon International Airport, Incheon Port and Pyeongtaek Customs in preparation for a temporary surge in the amount of raw materials imported. By doing so, we were able to speed up clearance and facilitate the movement of goods.

KCS is also making efforts to address delays at airports and seaports, such as **allowing cargo to be transported directly to manufacturing plants** without entry into the terminal after arrival in order to solve the problems of delayed unloading and shortage of storage space at airports and seaports driven by the concentration of imports. In addition, as part of our efforts to facilitate the clearance of exports from China, Korea's largest trading partner, KCS sent a letter to the General Administration of Customs of China asking for mutual cooperation for prompt customs clearance in the bilateral trade. Meanwhile, KCS is trying to resolve clearance delays in domestic movement of exported raw materials in partner countries by utilizing channels such as customs attachés and customs hotlines of major trading partners, including China.

2. Tax benefits for exporters and importers

KCS adopted a series of tax relief measures for companies importing raw materials for domestic production that include **extension of payment of duties, installment payment of duties, and duty drawback on the same day of application,**

In addition, KCS keenly listened to the concerns of the automobile industry that freight costs of raw material imports, which used to be transported by sea, but changed to by air for

emergency procurement would increase by more than 15 times, and thus significantly increase the amount of tariff payments. To address this, KCS has temporarily granted an **exception of lowering tariffs on imports of key automobile materials** by applying lower maritime transport costs instead of higher air transport cost to them.

Meanwhile, KCS took steps to **mitigate customs investigations, foreign exchange inspections and origin verification** of the companies above to the extent possible.

3. Implementation of special clearance procedures on personal effects

The Korean government sent charter flights to evacuate its citizens from countries hit hard by COVID-19 outbreak. In line with this, KCS has prepared and implemented **a special customs clearance procedure for personal effects of these evacuees**, particularly for acceptance of customs declaration and luggage inspection, to properly manage those people and to protect Customs officials.

KCS has refrained from intrusive/physical inspection on personal effects of inbound travelers for taxation purposes, minimizing physical contact with travelers by actively utilizing scientific inspection devices/equipment such as X-ray scanners, simplified drug kits and ion scanners. In particular, **COVID-19 suspected patients are subject to non-face-to-face testing in a separate inspection zone in principle**. When inspecting checked baggage of suspected patients, Customs officers **disinfect the baggage after inspecting them** under the presence of airline employees. But, inspection exemption is the principle rule unless the goods are related to drugs or security hazards.

4. Collaboration with other agencies

Up until now, imported protective face masks (including surgical ones) are required to be permitted by the Ministry of Food and Drug Safety (MFDS), which took a long period of time, and Customs clearance audit and inspection were also required for release. But, **KCS consulted with the MFDS** with regard to the import process of protective face masks (including surgical) and the result is as follows:

1) In case of importing protective face masks for the purposes of relief, donation, and distribution to employees by companies, the MFDS exempts them from import requirements, while Customs minimizes clearance audit.

2) In case of importing protective face masks for commercial purpose, KCS advised the MFDA grant the import (item) permit as quickly as possible.

In particular, if local governments and companies import protective masks for free distribution to local residents and employees, the KCS and the MFDS are working together to provide detailed guidance on how they can be exempted from import requirement verification and on relevant clearance procedures, providing full support for them, if needed. In addition, the KCS has significantly strengthened Customs control on wildlife trade, including **banning importing five species of suspected host of COVID-19**(snakes, bats, badgers, raccoons and musk cats) **in cooperation with the Ministry of Environment** to

fight the spread of infectious diseases. And if Customs officers detect those animals in personal effects, they immediately hands over such incidents to the quarantine authority. In addition, KCS **disseminated safety measures** to respond to suspected COVID-19patients, hand over them to the quarantine authority, and protect employees at duty-free shops, import/export warehouses, and airports/seaports in order to prevent secondary infections.

5. UNI-PASS Crisis Response Manual

UNI-PASS is Korea's e-clearance system which encompasses all areas of customs administration, including revenue collection, investigation and audit, as well as customs clearance. And KCS prepared the "**UNI-PASS Emergency Response Manual**" to prevent disruption due to the absence of system administrators and the closure of offices in the wake of the COVID-19 outbreak.

This manual assumes situations such as the isolation of the personnel of public officers or outsourced workers in charge of managing the UNI-PASS system, or the closure of offices, and it describes step-by-step countermeasures in 11 stages depending on the seriousness of the situation.

6. Measures to prevent infection of customs officials

In order to help protect employees from COVID-19infection, the KCS makes it mandatory to practice "**social distancing-keep 2m apart**". This includes video conference or paper-based reports in principle in line with the government's initiatives to stem the spread of the virus.

KCS is also making efforts to minimize office density. To this end, KCS set an appropriate density ratio for each division and perform **telecommuting** in the form of work from home*or smart work**, and in such cases, pregnant women and long-distance commuters are given more chances for the telecommuting.

* Work from Home: working from home by creating conditions for telecommuting by forwarding business calls to his/her own cellphones and installing Government Virtual Private Network (GVPN), etc.

**Smart Work: working at one of the "Smart Work Centers" installed in major cities across the country, including Seoul and Daejeon.

KCS is also making efforts to minimize person-to-person contact by actively utilizing **flexible working hours**, while advising them to refrain from talking to each other inside elevators in the building.

In addition, closed spaces such as office and meeting rooms are **regularly ventilated**, and **health managers are designated at each division** to check whether employees have fever or respiratory symptoms twice a day and report to the head of division.