

Ministry of Oceans and Fisheries Notice No. 2015-00

Guidelines on Treaty Tariff Recommendations and Import Management Regarding the Tariff Rate Quota Following the Free Trade Agreement between the Governments of the Republic of Korea and New Zealand have been amended and notified as follows.

Minister of Oceans and Fisheries

Guidelines on Treaty Tariff Recommendations and Import Management Regarding the Fisheries Tariff Rate Quota Following the Free Trade Agreement between the Governments of the Republic of Korea and New Zealand

Chapter 1 General Provisions

Article 1 (Purpose) The purpose of these guidelines is to define the aspects necessary for import management with regards to the low-rate fisheries tariff rate quota as permitted under the Korea-New Zealand Free Trade Agreement, such as the designation of importers, allocation method per importer, and recommendation of tariff rate quotas.

Article 2 (Definitions) The terms used in these guidelines are defined as follows.

1. “Tariff rate quotas” refer to the applicable volume for the annual treaty tariff per product type for which a specified volume is permitted at a lowered tariff as stipulated under the Free Trade Agreement between the Governments of the Republic of Korea and New Zealand (hereafter “the Korea-New Zealand FTA”).
2. “Treaty tariffs under tariff rate quotas” refer to the decreased tariff rate applied to a specific amount of fisheries imports originating from New Zealand as stipulated under the Korea-New Zealand FTA.
3. “Recommending institution for tariff rate quotas” refers to the Minister of Oceans and Fisheries, and “recommending agency for tariff rate quotas” (hereafter “the recommending agency”) refers to the head of an organization to whom the right to allocate or recommend tariff rate quotas has been entrusted by the Minister of Oceans and Fisheries in accordance with these guidelines.
4. “Quota auctions” refer to the method through which the right to import under tariff rate quotas may be auctioned to traders, etc. and allocated to winning bidders.
5. “Auction payments” refer to the amount to be paid within the tariff margin by those designated through quota auctions as importers of fisheries under tariff rate quotas.

Chapter 2 Allocation of Tariff Rate Quotas and Recommendation of Tariff Rates

Article 3 (Products subject to tariff rate quotas) Applicable product types, volumes, allocation methods, recommendation agencies, and applicable volumes per annum are shown in Tables 1 and 2.

Article 4 (Allocation of tariff rate quotas) ① The recommending agency of tariff rate quotas shall allocate tariff rate quotas based on allocation methods as specified in Tables 1 and 2 in accordance with Article 3.

② The recommending agency may exercise flexibility in aspects regarding import management such as the allocation of tariff rate quotas, as necessary.

Article 5 (Limits to tariff rate quota recommendations) ① The Minister of Oceans and Fisheries may direct the recommending agency to designate and operate under a one-time limited quota, or recommend a tariff rate quota in advance under the condition of import clearance in the following year, with the purpose of supply and demand stabilization and the smooth operation of the tariff rate quota system.

Article 6 (Applications for tariff rate quota recommendations) Those who are allocated tariff rate quotas in accordance with Article 4 must submit the following documents to the recommending agency.

1. One copy of the Application Form for a Recommendation for the Allocation of Treaty Tariff Rates of the Tariff Rate Quota under the Korea-New Zealand FTA, as provided in Attached Form 1.
2. Other documents as required by the recommending agency

Article 7 (Issuance of letters of recommendation regarding the application of tariff rates under tariff rate quotas) If the application for a recommendation of tariff rates under tariff rate quotas satisfies the required conditions, the recommending agency shall issue a Letter of Recommendation for the Application of Tariff Rates of the Tariff Rate Quota under the Korea-New Zealand FTA (hereafter “letter of recommendation”), as provided in Attached Form 2 or 2-1, within two working days. In this case, the contents of the letter of recommendation must be reported by the recommending agency to the head of the Korea Customs Service.

Article 8 (Period of validity for the letter of recommendation and the import declaration deadline for product types included in the recommendation) ①

The letter of recommendation shall remain valid for 90 days from the date of issuance, but may not exceed the end of the applicable year.

② The recommending agency may recommend the implementation volume of the following year or exercise flexibility in determining the validity period of the letter of recommendation as otherwise required, in accordance with Article 5.

③ The import declaration deadline for product types included in the recommendation shall be within 31st December of the applicable year, excluding cases in which the implementation volume for the following year has been recommended in advance in accordance with Article 5.

Article 9 (Extension of the validity period of the letter of recommendation, etc.) ①

Those who wish to extend the validity period of the letter of recommendation must submit an Application for the Extension of the Validity Period of the Recommendation for the Application of Tariff Rates of the Tariff Rate Quota under the Korea-New Zealand FTA, as provided in Attached Form 3, prior to the expiration of the validity period. In this case, the original letter of recommendation must be attached.

② The recommending agency may extend the validity period by up to 30 days and re-issue the letter of recommendation, in cases where such an extension is deemed necessary for unavoidable circumstances such as delays in customs procedures.

Article 10 (Division of recommended volumes) ① The recommending agency may divide the original recommended volume and re-issue the letter of recommendation, in cases where a recipient of the letter of recommendation requests such a division, and the request is deemed valid.

② Those who wish to divide the recommended volume in accordance with Section 1 shall submit an Application for the Division of the Recommended Volume for the Application of Tariff Rates of the Tariff Rate Quota under the Korea-New Zealand FTA, as provided in Attached Form 4, to the recommending agency. In this case, the original letter of recommendation must be attached.

Article 11 (Returning the letter of recommendation, etc.) ① Those who have received a recommendation for a tariff rate quota must return the letter of recommendation to the recommending agency without delay, in cases where any of the following criteria are met.

1. Cases in which the importation of the recommended volume has been abandoned
2. Cases in which the validity period for the letter of recommendation has expired
3. Cases in which the importation of the recommended volume has been made impossible

② If those who have received a recommendation for a tariff rate quota only partially import the recommended volume and forfeit the importation of the remaining volume, this fact must be reported to the recommending agency immediately.

③ The recommending agency may confer additional recommendations to new or existing applicants within the applicable year with regards to any remaining recommendation volumes of tariff rate quotas that may occur, in accordance with Sections 1 and 2.

Chapter 3 Quota Auctions

Article 12 (Competent agency for quota auctions) The recommending agency shall oversee auctions regarding product types that are allocated through quota auctions as stipulated in the attached tables.

② The recommending agency shall notify in advance the schedule of quota auctions for each product type, and may hold another auction for the remaining volume, in cases where the entirety or a part of the volume placed on auction is not sold.

③ The recommending agency shall separately allocate and operate a maximum number of bids for each product type or company.

Article 13 (Notification of quota auction methods, etc.) ① Quota auctions shall adhere to the Regulations on Contractual Affairs of Public Enterprises and Quasi-governmental Organizations, and adopt the format of an open auction.

② The recommending agency must notify operational details when conducting a quota auction, specifying aspects such as the product types on auction, auction volume limit, bidding eligibility, application documents, bidding methods, bidding dates, auction conditions, successful bid processing methods, bidding deposits, import execution deposit, payment of auction payments, import execution periods, collection of execution statements, etc. In this case, the recommending agency shall obtain prior approval from the Minister of Oceans and Fisheries, and the same applies when changing the notification.

Article 14 (Import obligations of winning bidders, etc.) ① Those who have obtained the right to import through a quota auction cannot re-sell the aforementioned right to a third party,

and must pay the import execution deposit to the recommending agency within the given period.

② In cases where the winner of the bid for the right to import fails to pay the import execution deposit within the given period in accordance with Section 1, the applicable bid shall be rendered void and the bid deposit previously paid shall be appropriated for the Fisheries Development Fund.

③ The winner of the bid for the right to import must import the specified volume within the period designated at the time of bidding, and if the entire volume is not imported within the given period, the applicable import execution deposit shall be appropriated for the Fisheries Development Fund. However, this shall not be the case if any of the following criteria are met.

1. Cases in which the import obligation is not met without any fault of the winning bidder
2. Cases in which the volume omitted from the imported volume is miniscule according to standards set by the recommending agency, to the extent of being deemed as a natural decrease due to causes such as problems in transit, etc.

④ The recommending agency may impose a penalty on those who fail to fulfill import obligations in accordance with Section 3, by prohibiting their participation in quota auctions for the period of a year from the day after the end of the original import execution period. However, this shall not be the case if any of the criteria outlined in Section 3 are met.

Article 15 (Resale of remaining quota volumes) ① The recommending agency may hold a quota auction within the same year to allocate quota volumes that are not imported, in accordance with Article 11 and Article 14 Section 3.

② Quota volumes allocated through a quota auction in accordance with Section 1 shall be resold through an auction by the recommending agency.

Article 16 (Restrictions against collusion, etc.) ① In cases where quota auction bidders (including unsuccessful bidders participating in collusion) are confirmed to have included false information in relevant documents or conducted collusion activities, the entirety or parts of the relevant bidder's bids and successful purchases shall be rendered void.

② The recommending agency may appropriate the bidding deposits paid by those who are under restriction in accordance with Section 1 for the Fisheries Development Fund, and restrict participation in quota auctions for a period over six months and under two years from the bidding date.

Chapter 4 Supplementary Regulations

Article 17 (Execution status survey, etc.) ① The Minister of Oceans and Fisheries may investigate the implementation status of aspects under these guidelines, regarding the recommending agency or those who have received recommendation, and request the submission of documents pertaining to the investigation.

② The Minister of Oceans and Fisheries may require the recommending agency or those who have received recommendation to report information as necessary, such as auction history, tariff rate quota allocation records, customs records, etc.

Article 18 (Disclosure of remaining auction volumes) The recommending agency may publicly disclose the remaining volumes of tariff rate quotas for product types under quota auctions, through means such as using its website to post the aforementioned information on a regular basis, e.g. by each quarter.

Article 19 (Reassessment deadlines) The Minister of Oceans and Fisheries must assess the validity of this notice and take appropriate measures, in accordance with the Regulations on the Designation and Management of Directives and Protocols, to be conducted every three years (until 31st December of every third year) after 1st January 2016.

Supplementary Regulations <No. 2015-000, 2015. 00. 00>

This notice shall enter into effect from the day of execution (YY/ MM/ DD) of the Korea-New Zealand FTA.

[Table 1] Product type, volume and tariff rate, allocation method of tariff rate quotas, and treaty tariff recommending agency applicable for the treaty tariff recommendation of tariff rate quotas under the Korea-New Zealand FTA (relevant to Article 3)

Category	HS Code	Product Type	Treaty Tariff Application Volume in the First Year	Treaty Tariff Application Rate	Treaty Tariff Application Volume Allocation Method	Treaty Tariff Recommending Agency
Mussels	1605-53-9000	Mussels (Processed or Preserved) (Misc)	800 Tons	0%	Quota Auction	Korea Fishery Trade Association

* Other than the above product type, product types applicable for the tariff rate quota under the Korea-New Zealand FTA shall be managed on a first-come-first-served basis, in accordance with Article 4(2) of the Enforcement Decree of the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements, and Article 10(2) of the Enforcement Regulations of the same Act.

[Table 2] Quota volumes applicable for the treaty tariff recommendation of tariff rate quotas under the Korea-New Zealand FTA (relevant to Article 3)

Product Type	HS Code	Annual Tariff Rate Quota Application Volume (Tons)								
		1	2	3	4	5	6	7	8	9
Mussels (Processed or Preserved) (Misc)	1605-53-9000	800	850.5	904	961	1,021.5	1,086	1,154	1,227	1,304
		10	11	12	13	14	15	16	After Year 16	
		1,386.5	1,473.5	1,566.5	1,665.5	1,770	1,881.5	1,999.5	1,999.5	

* Other than the above product type, product types applicable for the tariff rate quota under the Korea-New Zealand FTA shall be managed on a first-come-first-served basis, in accordance with Article 4(2) of the Enforcement Decree of the Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements, and Article 10(2) of the Enforcement Regulations of the same Act.

(Attached Form 1)

Application No.:		Processing Period				
		2 Days				
Application Form for a Recommendation for the Allocation of Treaty Tariff Rates of the Tariff Rate Quota under the Korea-New Zealand FTA						
Category	Applicant (Taxpayer)			Importer		
Company Name						
Address						
Representative Name						
Corporation Registration No.						
Telephone No.	(Mobile:)			(Mobile:)		
Fax No.						
◦ Application Content						
HS Code	Product Type	Number	Monetary Amount	Country of Origin	Scheduled Import Date	Usage Purpose

I hereby request a recommendation for the application of tariff rates of tariff rate quotas under the Korea-New Zealand FTA, in accordance with Ministry of Oceans and Fisheries Notice No.

20

Applicant (Signature)

To the Head of the Recommending Agency

(Attached Form 2)

Recommendation No.:						
Letter of Recommendation for the Application of Tariff Rates of the Tariff Rate Quota under the Korea-New Zealand FTA						
Category	Applicant (Taxpayer)			Importer		
Company Name						
Address						
Representative Name						
Corporation Registration No.						
Telephone No.	(Mobile:)			(Mobile:)		
Fax No.						
◦ Application Content						
HS Code	Product Type	Number	Monetary Amount	Country of Origin	Scheduled Import Date	Usage Purpose

◦ Expiry Date of Validity Period : Until 20 . . .

I hereby grant recommendation in accordance with Ministry of Oceans and Fisheries Notice
No.

20 . . .

Head of the Recommending Agency (Signature)

(Attached Form 2-1)

Letter of Recommendation for the Application of Treaty Tariffs (Processing Purpose)

※ Recommendation No.:

1. Applicant (Taxpayer)

Company Name:

Address:

Name: Corporation Registration No.:

2. Importer

Company Name:

Address:

Name: Corporation Registration No.: Trade Registration No.:

3. Recommendation Content

① HS Code:

② Product Type and Standard:

③ Recommendation Volume:

④ Monetary Amount:

④ Place of Origin (Supplier)

⑤ Usage Purpose

① HS Code:

② Product Type and Standard:

③ Recommendation Volume:

④ Monetary Amount:

④ Place of Origin (Supplier)

⑤ Usage Purpose

① HS Code:

② Product Type and Standard:

③ Recommendation Volume:

④ Monetary Amount:

④ Place of Origin (Supplier)

⑤ Usage Purpose

※ Recommendation Conditions:

※ Validity Period: Until (YY/MM/DD)

※ Relevant Law: I hereby grant recommendation in accordance with Ministry of Oceans and Fisheries Notice No.

20 . . .

Head of the Recommending Agency (Signature)

(Attached Form 3)

Recommendation No.:		Processing Period				
		2 Days				
Application for the Extension of the Validity Period of the Recommendation for the Application of Tariff Rates of the Tariff Rate Quota under the Korea-New Zealand FTA						
Category	Applicant (Taxpayer)			Importer		
Company Name						
Address						
Representative Name						
Corporation Registration No.						
Telephone No.	(Mobile:)			(Mobile:)		
Fax No.						
◦ Original Recommendation Content (Recommendation No.:)						
HS Code	Product Type	Number	Monetary Amount	Country of Origin	Scheduled Import Date	Usage Purpose

◦ Validity Period Extension Request Content

◦ Validity Period Extension Request Reason

I hereby request an extension of the validity period for the letter of recommendation, in accordance with Ministry of Oceans and Fisheries Notice No.

20 . . .

Applicant (Signature)

To the Head of the Recommending Agency

Attached Document: Original Letter of Recommendation

(Attached Form 4)

Recommendation No.:		Processing Period				
		2 Days				
Application for the Division of the Recommended Volume for the Application of Tariff Rates of the Tariff Rate Quota under the Korea-New Zealand FTA						
Category	Applicant (Taxpayer)			Importer		
Company Name						
Address						
Representative Name						
Corporation Registration No.						
Telephone No.	(Mobile:)			(Mobile:)		
Fax No.						
◦ Original Recommendation Content (Recommendation No.:)						
HS Code	Product Type	Number	Monetary Amount	Country of Origin	Scheduled Import Date	Usage Purpose

- Division Request Content

- Division Request Reason

I hereby request the division of the recommended volume, in accordance with Ministry of Oceans and Fisheries Notice No.

20 . . .

Applicant (Signature)

To the Head of the Recommending Agency

Attached Document: Original Letter of Recommendation