

## **CUSTOMS INFORMATION PAPER (11) 15**

### **Tariff Preference: New EU-South Korea Agreement – Approved Exporter Requirement**

<b>Who should read:</b>	Exporters who wish to benefit from the marketing opportunities provided by the new reciprocal EU-South Korea Free Trade Agreement (FTA), which is on track to enter into force on a provisional basis on 1 July 2011
<b>What is it about:</b>	The requirement to become an approved exporter, for preferential origin purposes, in order to be able to issue the necessary proof of origin for goods exported under the preferential trade arrangements in the EU-South Korea FTA
<b>When effective:</b>	Immediate
<b>Extant until/ Expires</b>	Further Notice

#### **1. Introduction**

The origin rules in all of the EU's preferential trade arrangements contain simplified procedures for the issue of proofs of preferential origin. Under those procedures any exporter can issue a preferential origin declaration on an invoice or as other commercial document (the so called "origin/Invoice declaration") where the value of the consignment concerned is €6000 or less, and exporters (known as "Approved Exporters") who have been approved by the relevant authorities to do so can issue invoice declarations for consignments of any value.

The Approved Exporter facility provides clear benefits to exporters who will no longer have to complete 11 boxes on a EUR1 preference certificate, and then get it stamped by HMRC, a Chamber of Commerce or local office of the Institute of Chartered Shipbrokers. Approved exporters can simply insert the required preferential origin declaration on a commercial document which can be transmitted and stored electronically.

#### **2. The Approved Exporter Requirement in the EU- South Korea FTA**

The European Commission announced on 17 February that the long awaited EU-South Korea FTA is now on track to enter into force on a provisional basis on 1 July 2011. In a departure from the norm, the new reciprocal agreement

**provides only for origin/invoice declarations to be issued as proof of preferential origin** – exporters in the EU and South Korea will not be able to issue EUR1 Movement Certificates as proof of origin.

This feature of the Agreement means that **UK exporters who wish to export, under preference, goods to South Korea in consignments with a value in excess of €6000 must become Approved Exporters**, as they will be required to insert the approval number in the body of the origin/invoice declaration which the South Korean importer will need to support a claim to preference.

### **3. Applying for approval**

Section 5 of HMRC [Notice 827 - European Community Preferences: Export Procedures](#) provides further information about Approved Exporters and how to apply for approval.

#### **(a) Exporters who are already approved for preferential origin purposes**

UK exporters who are already approved to issue invoice declarations for goods being exported under one of the EU's other preferential trade agreements can apply to have that approval extended to South Korea. To do that you should contact:

HMRC Authorisation and Returns Team  
Peter Bennett House  
Redvers Close  
Lawnswood Business Park  
Leeds LS16 6RQ

Tel: 0113 389 4319

Fax: 0113 389 4490

quoting your current approval number.

#### **(b) Exporters who are not already approved for preferential origin purposes**

If you are not already approved you should become so before 1 July if you want to take advantage from day one of the new preferential trading opportunities with South Korea.

If you are interested in applying for approval for the purposes of the forthcoming EU-South Korea Agreement, or for the purposes of any of the EU's preferential trade arrangements you should contact the VAT, Excise and Customs Helpline – Tel: 0845 010 9000

#### **4. Information about the EU-South Korea Agreement**

Full details of the forthcoming EU-South Korea FTA can be found on the [European Commission's website](#).

The Korean Tariff schedule in Annex 2-A (“Elimination of Customs Duties”) of the Agreement provides information about the preferential rates of duty which will be available in South Korea for goods originating in the EU. Protocol 1 of the Agreement lays down the rules of origin which must be met in the EU in order for goods to benefit from a preferential rate of duty upon their importation into South Korea.

#### **5. Contacts**

For queries on this custom information paper please contact

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Issued on the 22 **February 2011** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general queries please call the Customs, International Trade & Excise Helpline on Tel 0845 010 9000.

For comprehensive guidance on international trade regulation, as well as advice on market information and business growth visit the [Business Link website](#)