



## **MADB updates to reflect tariff dismantling under the EU-South Korea FTA**

The latest dismantling stage of the Free Trade Agreement (FTA) with South Korea became effective on 1 July 2012. In this connection, import duties for about 2,400 tariff lines have been further reduced. As a result of the FTA application, more than 9,700 tariff lines are already duty free for goods originating in the EU. Only about 2,000 of these tariff lines are duty free under the Most Favoured Nation conditions available for WTO member states.

EU exporters may benefit from trade advantages available under the EU-South Korea FTA since 1 July 2011. It is estimated that EU firms have already made cash savings of €350 million in duties after just 9 months. The magnitude of anticipated savings is due to the comparatively high tariff levels generally applied by South Korea. A substantial proportion of the scheduled tariff reductions is already available since the provisional application of the Agreement.

The MADB continuously reflects the impact of the agreement on the import duties applicable in South Korea. The Applied Tariffs section of the database provides access to the sophisticated South Korean tariff nomenclature with more than 12,200 tariff lines, based on the Harmonized System (HS) 2012. For the about 2,400 tariff lines mentioned above, customs duties will be further dismantled over the coming years. The majority of these tariff lines are subject to tariff elimination within 3 to 5 years after the application of the FTA. The next major tariff elimination will thus take effect on 1 July 2014 for about 700 tariff lines. After the transitional period, almost 99% of customs duties by trade value will have been eliminated for both industrial and agricultural products. Only about 50 agricultural products' tariff lines will remain as they are not covered by the FTA or are subject to a tariff standstill.

To check out the preferential tariff rates available for you, you should select South Korea in the Applied Tariffs Database and then enter your product code(s). You may also search the complete South Korean tariff nomenclature in the English language for product descriptions to identify the appropriate product codes. Furthermore a link is available from the tariff rates allowing you to access further useful information, including the currently applied internal taxation measures in South Korea.

The FTA will not only remove virtually all import duties between the EU and South Korea but also many non-tariff barriers. This is reflected in the Exporter's Guide to Import Formalities (EGIF) and further updates will be provided. The EGIF section of the MADB gives an overview of the import procedures and provides detailed information on the documents required for imports to South Korea. The requirements are presented firstly, at a general level, applicable to all goods and secondly, at a tariff heading level, reflecting the specific requirements for particular goods. The "Overview of Import Procedures" outlines the salient features of the EU-South Korea FTA and explains further the implications for certain product groups.

To benefit from the above mentioned preferential tariff treatment at the South Korean border, an "origin declaration", is to be provided by the exporter. Contrary to the situation in certain other FTAs, certificates of origin are not issued by customs authorities and the EUR 1 form will not be accepted as proof of origin. Instead, exporters must issue an "origin declaration" themselves. In order to be entitled to do so, they have to apply for the status of an 'approved exporter' with their national customs authorities. Please consult the [Rules of Origin Protocol of the EU-South Korea FTA](#) and the document 'Commercial Invoice' for more information on this proof of origin.