

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

REPUBLIC OF KOREA

Information on import licensing procedures of the Republic of Korea submitted in response to the questionnaire annexed to document L/5106, has been made available to contracting parties in document COM.IND/W/55-COM.AG/W/72/Add.38. The following notification, describing the present import licensing system, replaces the data previously submitted by the Republic of Korea.

Outline of Systems

1. In order to import commodities, an import licence is necessary. Usually, the licence is issued automatically on request from a foreign exchange bank (automatic-approval items). But in case of certain commodities, an import recommendation is necessary before a bank issues a licence.

Purposes and Coverage of the Licensing

2. All commodities are classified into two groups, namely, the automatic-approval items and the import-restricted items. The automatic-approval items can be imported freely by obtaining an import licence which is issued automatically. This group includes most of the import commodities.

On the other hand, in order to import the restricted items a recommendation from a designated government agency or business organization is necessary. Most of these items are products of the agricultural or fishing sectors, small and medium industries and infant industries.

Some of the restricted items can't be imported, i.e., those which are harmful to public health, public order, social customs, culture and national security.

3. The system applies to goods originating in and coming from any country.

4. The licensing for the automatic-approval items is not intended to restrict or regulate foreign trade but is intended to serve as a means of monitoring foreign trade trends and maintaining foreign trade statistics.

The objectives of the licensing system for the restricted items are, in addition to those for the automatic-approval items, to contribute to the development of national economy by protecting certain industrial sectors and promote a sound development of foreign trade by maintaining the equilibrium of the balance of payments.

5. (a) The licensing is authorized and carried out under the Foreign Trade Transactions Act, the Enforcement Decree of the Foreign Trade Transaction Act, the Foreign Trade Management Regulation and the annual Export-Import Notice.

(b) The licensing is statutorily required.

(c) The legislation leaves the decision to administrative discretion whether each product should be classified as a automatic-approval item or import-restricted item.

(d) It is impossible for the government to abolish this licensing system without legislative approval.

Procedures

6. There is no quota system in Korea.
But some industrial raw materials or goods for certain uses can be imported by the actual users only.
7. (a) There is no restriction regarding the time of the licence application.
(b) A license is granted immediately on request.
(c) None.
(d) Consideration of the licence application can be effected by any foreign exchange bank (no other approval is required.)
8. An application for a licence cannot be refused if it satisfies the established criteria.

Eligibility of Importers to Apply for Licence

9. (a) Any person or firm intending to engage in the business of foreign trade should obtain permission from the governor of a province.
(b) The criteria for granting permission are prescribed by a presidential decree.
(c) The applicant should attach a revenue stamp for 20,000 won (about \$27) to the application document as fee. The Minister of Commerce and Industry announces the list of authorized foreign traders by the end of January each year.

Documentational and Other Requirements for Application
of Licence

10. The Importer is required to supply an offer sheet or a copy of the contract, a copy of the Import recommendation (in the case of import-restricted items), and other necessary documents.

11. In the case of actual importation the documents required may include the import declaration, import licence, commercial invoice, bill of lading and other necessary documents.

12. None.

13. None.

Conditions of Licensing

14. The period of validity of the licence is 6 months and can be extended on request.

15. There is no penalty for the non-utilization of a licence.

16. Not transferable.

17. None.

18. None.

Other Procedural Requirements

19. Foreign exchange is provided automatically for goods to be imported and a licence is not necessary.