

Tariff Preference

A guide to the EU's new reciprocal preferential trade agreement with South Korea

1. Introduction

The European Union has concluded a major new reciprocal preferential trade agreement with South Korea, the provisions of **which apply to eligible products which are released to free circulation in the EU or South Korea on or after 1 July 2011 (the date of the provisional entry into force of the trade aspects of the Agreement), and are covered by a proof of preferential origin issued in the EU or South Korea on or after that date.**

The Agreement has been published on the Official Journal (OJ) L127 (dated 14 May 2011) of the European Union, which has been published on the [EU Commission website](#).

The EU Commission has also published in a more user friendly format full details about the agreement at the link below.

[EU-Korea Free Trade Agreement online](#)

The areas of main interest to UK companies will be the EU and Korea's tariff elimination schedules and the Protocol on Rules of Origin.

2. Scope and coverage of the new agreement

The following represents a summary of the coverage provisions of the EU-South Korea Agreement.

a. Imports into the European Union of products originating in South Korea

With the exception of those listed below, the vast majority of eligible products originating in South Korea will attract from the date of provisional entry into force of the Agreement **a nil preferential rate of duty** upon their importation into the European Union.

Certain:

- Fish, fishery products and shellfish in Tariff Headings 0301 91, 0301 92, 0301 99, 0302 11, 0302 19, 0302 21, 0302 40, 0302 50, 0302 61, 0302 64, 0302 65, 0302 67, 0302 68, 0302 69, 0303 21, 0303 29, 0303 42, 0303 44, 0303 61, 0303 75, 0303 79, 0303 80, 0304 19, 0304 21, 0304 29, 0304 92, 0304 99, 0305 63, 0305 69, 0306 12, 0306 21, 0306 22, 0307 10, 0307 41, 0307 49, 0307 59 and 0307 99
- Animal products in Tariff Heading 0511 99 39
- Vegetables in Tariff Headings 0704, 0706 and 0708
- Processed/preserved fish in Tariff Headings 1604 and 1605
- Mixes and doughs in Tariff Heading 1901 20
- Pasta in Tariff heading 1902 20 10
- Tobacco and Tobacco Products in Tariff Headings 2401 and 2402
- Propane in Tariff Heading 2711

- Plastics in Tariff Heading 3903 11, 3903 30 and 3907 60
- Pneumatic tyres and inner tubes in Tariff headings 4011, 4012 and 4013
- Cases, brief cases, satchels handbags, rucksacks, toilet and other bags in Tariff Heading 4202
- Gloves in 4203
- Particle, strand, fibreboard and similar board (Including MDF) in Tariff Headings 4410 and 4411
- Plywood in 4412
- Footwear in Tariff Headings 6402 99 93, 6403 91 13 and 6403 99 93
- Ceramic articles in Tariff Headings 6909 12 00 and 6909 90 00
- Kitchen and tableware in Tariff heading 6911
- Stoneware in 6912 0010
- Porcelain and China articles in 6914 10 00
- Glass in Tariff Heading 7007 21 00
- Copper in Headings 7410 21 00, 7411 10 11, 7419 10 00 and 7419 91 00
- Knives and cutting blades in Tariff Heading 8211
- Stainless steel cutlery in Tariff Heading 8215 10 30
- Fork lift and other trucks in Tariff Heading 8427
- Ball and roller bearings in Tariff Heading 8482
- Ignition, starter equipment and generators in Tariff Heading 8511
- Microwave ovens in Tariff Heading 8516
- Electronic apparatus in Tariff Heading 8517 69 39
- Vehicles in Tariff Headings 8703 23, 8703 24, 8703 32, 8703 33, 8704 22 and 8704 31
- Vehicle Chassis in Tariff Heading 8706
- Vehicle bodies in Tariff Headings 8707 10 90 and 8707 90
- Bicycles in Tariff Heading 8712
- Bicycle parts and accessories in Tariff headings 8714 11, 8714 19, 8714 91 and 8714 92
- Aircraft in Tariff Headings 8802 11 and 8802 20
- Slide fasteners in Tariff Heading 9607

Will receive a nil preferential rate at the end of 4 equal annual reductions, starting on 1 July 2011, in the basic rate of duty*

Certain:

- Meat in Tariff Headings 0201 10, 0201 20, 0202 20 and 0203 30
- Tuna in Tariff Headings 0301 94 and 0301 95
- Saltwater fish in Tariff Headings 0301 99 00
- Fish and fishery products in Tariff Headings 0302 11 10, 0302 21, 0302 23, 0302 29, 0302 31, 0302 32, 0302 33, 0302 34, 0302 35, 0302 36, 0302 39, 0303 31, 0303 32, 0303 39, 0303 41, 0303 43, 0303 45, 0303 46, 0303 49, 0303 51, 0303 62, 0303 71, 0303 74 0303 78, 0303 79, 0304 11, 0304 12, 0304 19, 0304 29, 0304 99, 0305 10, 0305 30, 0305 41, 0305 49, 0305 51, 0305 59, 0305 61, 0305 69
- Shellfish in 0306 13, 0306 19, 0306 23 and 0306 29
- Dairy Products in Tariff Headings 0402 10, 0402 21, 0402 29, 0402 91 and 0402 99
- Tomatoes, onions and garlic in Tariff Headings 0702 20, 0703 10 and 0703 20
- Sweet peppers in Tariff Heading 0709 10

- Courgettes and artichokes in Tariff Heading 0709 90
- Oranges and other citrus fruits in Tariff Headings 0805 10 20, 0805 10 80, 0805 20 and 0805 90
- Table grapes in Tariff heading 0806 10 10
- Apples and pears in Tariff Headings 0808 10 10, 0808 10 80, and 0802 20 10
- Fruit in Tariff Headings 0809 10, 0809 30, 0809 40
- Kiwifruit in Tariff Heading 0810 50
- Prepared fish in Tariff Headings 1604 12, 1604 14, 1604 16, 1604 19 and 1605 20
- Sugar products and white sugar in Tariff Headings 1701 91 and 1701 99
- Liquorice extract in Tariff Heading 1704 90 10
- Preparations for infant use in Tariff Heading 1901 10 00
- Rice based cereals in Tariff Heading 1904 90 10
- Crisp bread in Tariff Heading 1905 10 00
- Gingerbread and the like in Tariff Heading 1905 20
- Palm hearts in Tariff heading 2008 91
- Maize, Yams, sweet potatoes and plant parts in Tariff Heading 2008 99
- Vermouth and wine of fresh grapes in Tariff headings 2205 10 and 2205 90
- Ethyl alcohol in Tariff headings 2207 10 and 2207 20
- Tobacco in Tariff Headings 2401 and 2401 20
- Cigars and cigarettes in Tariff Headings 2402 10, 2402 20 and 2402 90
- Smoking tobacco in Tariff heading 2403
- Dextrins and starches in Tariff Headings 3505 10 and 3505 20
- Wool yarn in Tariff heading 5107 10
- Woven wool fabrics in Tariff headings 5112 11, 5112 19 and 5112 20
- Video recording, reproduction apparatus etc in Tariff heading 8521 90 00
- Monitors etc in Tariff headings 8528 49 and 8528 59
- Electronic Apparatus and flat panel equipment in Tariff Heading 8528 69 99
- Electronic Apparatus in Tariff Headings 8528 71 and 8528 72
- Vehicles in Tariff headings 8703 90, 8704 21 and 8704 23

Will receive a nil preferential rate at the end of 6 equal annual reductions, starting on 1 July 2011, in the basic rate of duty*

*** For the purposes of the whole of the Agreement (agricultural and industrial products) the “basic rate” for imports into the EU is in most cases the full rate of duty which would have been payable on 6 May 2007.**

Rice in Tariff Headings 1006, 1103 and 1104 and certain food preparations in Tariff Heading 1901 90 99 will not receive any preferential rates of duty under the Agreement.

b. Imports into South Korea of products originating in the European Union

The reciprocal Agreement will create new marketing opportunities for manufacturers and producers in the EU. South Korea will grant preferential rates of duty to a wide range of products which originate in the EU in accordance with the preferential rules of origin.

Products which will attract nil preferential rates of duty from 1 July 2011 (this list is not exhaustive) include:

Certain live animals; plants; beans; certain fruit; spices; plant seeds; certain oils and fats; beers, wines, cider and perry; certain minerals; fuel oils; lubricating and insulating oils; certain chemicals; medicines; certain fertilizers; pigments; dyes; vanishes, enamels; paints; photographic film; certain polymers and plastics; certain rubber goods and rubber belts; certain hides, skins, furs and leather goods; certain paper and paper board; wool; fabrics; knitted and woven garments; household textiles; footwear; umbrellas and walking sticks; certain ceramics and glass; certain steel and steel products; cutlery and other metal products; a wide range of machinery; certain electric motors; alarms; batteries; electric kitchen equipment; certain telephones and cameras, TVs, recording equipment and lamps; motor cycles; certain motor vehicles and parts; bicycles; toys and furniture

Other products will be subject to a sliding scale of annual reductions over 3, 5, 7, 10, 12, 13 or 15 years in the full rate of duty payable.

The Korean Tariff elimination schedule in the information posted on [EU Commission's website](#) provides more information about the preferences available for EU originating products exported to Korea.

3. Origin rules

a. General

The entitlement of a product to a preferential rate of duty is dependant upon the satisfaction of the relevant rules of origin.

The conditions and rules described in **sections 1-6 and 8 and 9.3 of Customs Notice 828** will apply with the following exceptions to goods which are exported to or imported from South Korea:

- **the 10% value tolerance described in Paragraph 2.4 of the Notice** (for working or processing which takes place outside the EU or the preference receiving country) does not apply to goods exported to or imported from South Korea;
- products obtained by trapping can also be regarded as wholly produced for the purposes of the origin rules
- the mixing of sugar with any other product and testing or calibration are also minimal processes which will never result in the finished product meeting the preferential rules of origin
- the product specific rules in Annex 1 of this paper will apply instead of those in Section 6 of the Notice. Full consolidated rules of origin may be found via the above link to the EU Commission website
- derogations from the product specific rules in the Agreement apply within the limits of annual first come first served tariff quotas to a range of products **originating in South Korea**. Details of those derogation rules and quota quantities can be found in Annex 2 of this paper. **The derogation rules do not apply to goods originating in the EU.** Further information will be provided as soon as it is available about the procedures for making claims to the derogation quotas.
- For the purpose of the wholly obtained requirement relating to fish caught and processed outside the territorial waters of the EU or South Korea, the terms "its vessels" and "its factory ships" applies only to vessels and factory ships:

(a) which are registered in one of the Member States of the European Union or Korea;

(b) which sail under the flag of one of the Member States of the European Union or Korea; and

(c) which meet one of the following conditions:

(i) they are at least 50 percent owned by nationals of one of the Member States of the European Union or Korea;

or

(ii) they are owned by companies:

(A) which have their head office and their main place of business in one of the Member States of the European Union or in Korea;

and

(B) which are at least 50 percent owned by one of the Member States of the European Union or by Korea, public entities of a Member State of the European Union or Korea, or nationals of one of the Member States of the European Union or Korea

There is no requirement that the crew, captain or officers on vessel must be EU or South Korean nationals

b. Cumulation of Origin

The new Agreement provides for **bilateral cumulation of origin**. This means that:

- materials, components or parts which have originated in South Korea in accordance with the provisions of the Agreement can be regarded as originating in the European Union when they are further processed there or incorporated in a finished product which will be exported to South Korea under preference; and
- EU products which have met the appropriate origin rules can be regarded as originating in South Korea when they are further processed or included in a finished product for export to the Union under preference.

4. Export relief (duty drawback)

The provisions of the EU-South Korea Agreement allow manufacturers in the EU and Korea to claim until 1 July 2016 export relief (the suspension or repayment of customs duty) on imported materials, components or parts which are used in the manufacture of goods for export under the preferential arrangements in the Agreement.

Five years after the date of entry into force of the Agreement the provisions relating to duty drawback will be reviewed. That review could result in limitations on drawback for particular products or product sectors.

You can find out more about preference and export relief in Customs Notice 827 – European Community Preferences: Export Procedures.

5. Accounting segregation

The origin rules in the Agreement provide for accounting segregation for exports from the EU and South Korea. This is a facility that recognises those occasions where cost and/or impracticability make it difficult to physically segregate originating and non-originating materials used to manufacture products for export under the Agreement.

Any originating and non-originating materials covered by the accounting segregation arrangements must be of the same kind and commercial quality, with the same technical and physical characteristics and which are indistinguishable from each other. No more goods must receive originating status than would have been the case if the materials had been physically segregated.

Further information can be obtained from the VAT, Excise & Customs Helpline (0845 010 9000). Exporters in the EU and South Korea must obtain prior approval from Customs before they can use the facility.

6. Documentary requirements

The following documentary requirements will apply:

a. General

With the exception of consignments falling within sub-paragraph b below, claims to preference **must** be supported by the following origin declaration on an invoice (or other commercial document such as a packing list or consignment note):

The exporter of the products covered by this document (customs authorization No ...⁽¹⁾) declares that, except where otherwise clearly indicated, these products are of ...⁽²⁾ preferential origin.

.....³
Place and date)
.....⁴
(Signature of the exporter, in addition the name of the person signing the declaration has to be indicated in clear script)

Notes: (1) Approved Exporter Number (2) Country of Origin – Korea, European Union or EU (3) Place of production and date of the declaration (4) The declaration does not have to be signed or contain the name of the person signing when it is issued by an Approved Exporter

The origin declarations have a limited period of validity of 12 months from their date of issue.

Any exporter in the UK and South Korea will be able to issue the origin declaration where the value of the consignment is no more than **£5700 (~~€6000~~)** and exporters who have **been approved by the customs authorities** to do so will be able to issue declarations for consignments with a value in excess of that amount.

In a departure from the norm a EUR1 Movement Certificate cannot be presented in support of a claim to the new preference.

CIP (11) 15 advised UK exporters of the need to become approved to issue origin declarations for consignments with a value in excess of ~~€6000~~ (£5700).

The South Korean authorities have advised that the format of approval numbers issued by their country is as follows:

Three-digit identification number of the customs office issuing the authorisation - year of authorisation (last two digits) - six - digit serial authorisation number

Example: 030-11-123456

b. Consignments for which no formal proof of origin is required

The following consignments can be exported to or imported from South Korea without the need for a formal proof of origin (Origin declaration):

- (i) Private imports/exports in accompanied baggage** provided that the value of the consignment is no more than **£1140**; and
- (ii) Private imports/exports in unaccompanied baggage** provided that the value of the consignment is no more than **£470** .

c. Retrospective origin declarations

Where required, origin declarations must normally be issued at the time of the export of the goods covered by them. However, they can also be issued retrospectively after the goods have been exported.

N.B. The South Korean authorities will only accept retrospective origin declarations for up to 1 year after the goods have been imported. Consequently EU exporters should issue any necessary retrospective origin declarations within a year from the date of export.

7. Making claims to the new preference

Claims to the new preference must be made by inserting **tariff rate A** in box 47 c of the customs import declaration; **code 300** (or 320 when claiming a derogation quota) in Box 36; and **document code N991** plus the appropriate status code for the availability of the document with the serial number of the invoice, delivery note, packing list or consignment note bearing the origin declaration in Box 44.

8. Transitional arrangements for goods in transit or in warehouse on 1 July 2011

If you are an importer and you will have South Korean goods in transit or warehouse on 1 July 2011, which will not be released to free circulation until on or after that date, you will be able to make a claim to the new preference upon the release of the goods provided that:

- They meet all necessary conditions for preferential tariff treatment, including compliance with the appropriate preferential rules of origin; and
- You have obtained, and hold, a retrospectively issued origin declaration in the format described in paragraph 6a above. (**Note:** exporters cannot issue proofs of preferential origin (origin declarations) before 1 July 2011 as there is no legal basis for them to do so. Proofs can only be issued for eligible products from the date of the provisional entry into force of the Agreement -

i.e. from 1 July 2011. Proofs issued before that date are not valid, and they cannot be accepted in support of claims to preference).

If you are an exporter, you will be able to issue a retrospective origin declaration on or after 1 July for goods which you have already exported to South Korea and which meet the necessary preferential rules of origin.

N.B. As stated above the South Korean authorities will only accept retrospective origin declarations for up to 1 year after the goods have been imported. Consequently EU exporters should issue any necessary retrospective origin declarations within a year from the date of export.

9. CHIEF and the printed tariff

The Customs computerised entry process system (CHIEF) is being updated with the new preferential rates of duty for Korean products. The system will immediately be able to apply those rates to eligible products which are released to free circulation on or after 1 July.

The July amendment to the HMRC Tariff will contain the preferential rates of duty with the exception of those relating to agricultural products which are subject to minimum import price requirements.

10. Further information

You can obtain further information about the Agreement and its rules of origin from:

Yvette Belcher
HM Revenue & Customs
Excise, Customs, Stamps & Money
Customs Duty Liability
10th Floor South East, Alexander House
21 Victoria Avenue
Southend-on-Sea
SS99 1AA

Tel: 01702 367721

Fax: 01702 367342

Email: yvette.belcher@hmrc.gsi.gov.uk

Annex 1

Product Specific Rules of Origin which apply to goods originating in the EU and Korea instead of those in Section 6 of Notice 828

Note: In those cases where the tariff heading is preceded by 'ex' the rule in column 1 applies only to the particular product(s) described in column 2

Tariff heading	Description of product	Origin rule which applies in the EC-South Korea Agreement
ex Chapter 11	Products of the milling industry; malt; starches; inulin; wheat gluten; except for	Manufacture in which all the materials of Chapter 7, 8, 10, 11 and 23 are wholly obtained
1106 10	Flour, meal and powder of the dried leguminous vegetables of heading 0713	Manufacture from materials of any heading
ex 1302	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products, except for	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
1302 19	Vegetable saps and extracts; other	Manufacture from materials of any heading, except those of sub-heading 1211 20
1302 31, 1302 32 and 1302 39	Mucilages and thickeners, whether or not modified, derived from vegetable products	Manufacture from materials of any heading
1501	All Goods	Manufacture from meat or edible offal of swine of heading 0203 or 0206 or of meat and edible offal of poultry of heading 0207. However, bones of heading 0506 may not be used
1502	All Goods	Manufacture in which all the materials of Chapter 2 and bones of heading 0506 used are wholly obtained
1504	All Goods	Manufacture from materials of any heading
1505	All Goods	Manufacture from materials of any heading
1506	All Goods	Manufacture from materials of any heading
1509 and 1510	Olive oil and its fractions, other oils and their fractions obtained solely from olives	Manufacture in which all the vegetable materials used are wholly obtained
1505 50	Sesame oil and its fractions	Manufacture from materials of any heading, except those of Chapter 12
1901	All Goods	Manufacture: from materials of any heading, except that of the product, in which all the materials of Chapter 4, heading 1006 and Chapter 11 used are wholly obtained, and

		in which the value of all the materials of Chapter 17 used does not exceed 30% of the ex-works price of the product
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ex 1902	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared except for:	Manufacture in which: all the cereals and their derivatives (except durum wheat and its derivatives) of Chapters 10 and 11 used are wholly obtained, and all the materials of Chapters 2 and 3 used are wholly obtained if they represent more than 20% by weight of the product
ex 1902 19	Noodles, uncooked, dried and not stuffed, obtained from flour except of 'durum wheat semolina'	Manufacture from materials of any heading, except that of the product
ex 1902 30	Ramen, instant noodles, cooked by heating or frying, and packed with mixed seasonings, including hot pepper powder, salt, garlic flavouring powder and a flavouring base	Manufacture from materials of any heading, except that of the product
ex 1905 90	Bakers' wares of rice	Manufacture from materials of any heading, except that of the product
ex Chapter 20	Preparations of vegetables, fruit, nuts or other parts of plants; except for:	Manufacture in which: all the fruit, nuts or vegetables of Chapter 7, 8 and 12 used are wholly obtained, and the value of all the materials of Chapter 17 used does not exceed 30% of the ex-works price of the product
2008 11	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included; groundnuts	Manufacture from materials of any heading, except that of the product
2008 19	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included; other, including mixtures	Manufacture in which the value of all the originating nuts and Oil seeds of heading 0801, 0802 and 1202 to 1207 used exceeds 60% of the ex-works price of the product
2008 91, 2008 92 and 2008 99	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing	Manufacture: from materials of any heading, except that of the product, and

	added sugar or other sweetening matter or spirit, not elsewhere specified or included; other, including mixtures other than those of subheading 2008 19	in which the value of all the materials of Chapter 17 used does not exceed 30% of the ex-works price of the product
2103 90	Other	Manufacture from materials of any heading
2105	All Goods	Manufacture in which: the value of all the materials of Chapter 4 used does not exceed 30% of the ex-works price of the product the value of all the materials of Chapter 17 used does not exceed 30% of the ex-works price of the product
2106	All Goods	Manufacture: from materials of any heading, except that of the product, in which all the materials of subheadings 1211 20 and 1302 19 used are wholly obtained, and in which the value of all the materials of Chapter 4 used does not exceed 30% of the ex-works price of the product, and the value of all the materials of Chapters 17 used does not exceed 30% of the ex-works price of the product
2202	All Goods	Manufacture: from materials of any heading, except that of the product, in which the value of all the materials of Chapter 17 used does not exceed 30% of the ex-works price of the product in which all the fruit juice used (except that of pineapple, lime or grapefruit) of heading 2009 is originating, and in which all the materials of subheadings 1211 20 and 1302 19 used are wholly obtained
2207	All Goods	Manufacture: from materials of any heading, except heading 2207 or 2208, and in which all the grapes or materials derived from grapes used are wholly obtained
2208	All Goods	Manufacture: from materials of any heading, except heading 2207 or 2208, and in which all the grapes or materials derived from grapes used are wholly obtained

ex 2301	Whale meal; flours, meals and pellets of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption	Manufacture in which all the materials of Chapters 2 and 3 used are wholly obtained
2303 10	Residues of starch manufacture and similar residues	Manufacture in which all the maize used is wholly obtained
2309	Preparations of a kind used in animal feeding	Manufacture in which all the materials of Chapters 2, 3, 4, 10, 11 and 17, used are originating
2504 10	Natural graphite in powder or in flakes	Manufacture from materials of any heading
2515 12	Marble and travertine, merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape	Manufacture from materials of any heading
2516 12	Granite merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape	Manufacture from materials of any heading
2518 20	Calcined or sintered dolomite	Manufacture from materials of any heading
Chapter 27	All Goods	Manufacture from materials of any heading
Chapter 28	All Goods	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 29	Organic chemicals; except for:	Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 2905 19	Metal alcoholates of alcohols of this heading and of ethanol	Manufacture from materials of any heading, including other materials of heading 2905. However, metal alcoholates of this heading may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex 2932	Internal ethers and their halogenated, sulphonated,	Manufacture from materials of any heading. However, the value of all the materials of

	<p>nitrated or nitrosated derivatives</p> <p>Cyclic acetals and internal hemiacetals and their halogenated, sulphonated, nitrated or nitrosated derivatives</p>	<p>heading 2909 used shall not exceed 20% of the ex-works price of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p> <p>Manufacture from materials of any heading, or</p> <p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>
3001	All Goods	Manufacture from materials of any heading
3002	All Goods	Manufacture from materials of any heading
3006 91	Appliances identifiable for ostomy use	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
3204	All Goods	<p>Manufacture from materials of any heading, or</p> <p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>
3206	All Goods	<p>Manufacture from materials of any heading, or</p> <p>Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>
3808	All Goods	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products</p>
3809	All Goods	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products</p>
3810	All Goods	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products</p>
3811	All Goods	Manufacture from materials of any heading, except that of the product. However, materials

		<p>of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products</p>
3812	All Goods	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products</p>
3814	All Goods	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products</p>
ex 3821 00	Prepared culture media for maintenance of micro-organisms (including viruses and the like) or of plant, human or animal cells	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products
3824	All Goods	<p>Manufacture from materials of any heading, except that of the product. However, materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the ex-works price of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the products</p>
3901 to 3921	Plastics in primary forms, waste, parings and scrap, of plastic; semi-manufactures and articles of plastics	<p>Manufacture from materials of any heading, except that of the product, or</p> <p>Manufacture in which the value of all the materials used does not exceed 25% of the ex-works price of the product</p>
3907 30 and 3907 40	Epoxide resins; polycarbonates	Manufacture from materials of any heading
3907 20 and 3907 91	Other polyethers; other polyesters	Manufacture from materials of any heading
4102 21 and 4102 29	Raw skins of sheep or lambs, without wool on	Removal of wool from sheep or lamb skins, with wool on
4403	All Goods	Manufacture from materials of any heading
4409	All Goods	Manufacture from materials of any heading
Chapter 57	Carpets and other textile	Manufacture from:

	<p>floor coverings: Of needleloom felt</p> <p>Of other felt</p> <p>Other</p>	<p>Natural fibres, or</p> <p>Chemical materials or textile pulp</p> <p>However:</p> <p>Polypropylene filament of heading 5402,</p> <p>Polypropylene filament of heading 5503 or 5506, or</p> <p>Polypropylene filament tow of heading 5501,</p> <p>Of which the denomination in all cases of a single filament or fibre is less than 9 decitex, may be used, provided that their total value does not exceed 40% of the ex-works price of the product</p> <p>Jute fabric may be used as a backing</p> <p>Manufacture from:</p> <p>Natural fibres, not carded or combed or otherwise processed for spinning, or</p> <p>Chemical materials or textile pulp</p> <p>Manufacture from:</p> <p>Coir yarn or jute yarn,</p> <p>Synthetic or artificial filament yarn,</p> <p>Natural fibres, or</p> <p>Man-made staple fibres, not carded or combed or otherwise processed for spinning</p> <p>Jute fabric may be used as a backing</p>
Chapter 61	Articles of apparel and clothing accessories, knitted or crocheted	<p>Spinning of natural and/or man-made staple fibres, or extrusion of man-made filament yarn, accompanied by knitting (knitted to shape products), or</p> <p>Knitting and making up including cutting (assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form)</p>
ex chapter 62	Articles of apparel and clothing accessories, not knitted or crocheted; except for:	<p>Weaving accompanied by making-up (including cutting), or</p> <p>Embroidering accompanied by making up (including cutting), provided that the value of the unembroidered fabric used does not exceed 40% of the ex-works price of the product, or</p>

		<p>Coating accompanied by making up (including cutting), provided that the value of the uncoated fabric used does not exceed 40% of the ex-works price of the product, or</p> <p>Making up preceded by printing accompanied by at least two preparatory finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatising, impregnating, mending and burling), provided that the value of the unprinted fabric used does not exceed 47.5% of the ex-works price of the product</p>
ex 6217	<p>Other made up clothing accessories; parts of garments or of clothing accessories, other than those of heading 6212:</p> <p>Interlinings for collars and cuffs, cut out</p>	<p>Manufacture: From materials of any heading, except that of the product, and</p> <p>In which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>
ex Chapter 64	Footwear, gaiters and the like; parts of such articles; except for:	<p>Manufacture from materials of any heading, except from assemblies of uppers affixed to inner soles or to other sole components of heading 6406, or</p> <p>Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
7007, 7008 and 7009	All Goods	Manufacture from materials of heading 7001
7107, 7109 and 7111	Metals clad with precious metals, not further worked than semi-manufactured	Manufacture from materials of any heading
7207	Semi-finished products of iron or non-alloy steel	Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or 7206
7208 to 7216	Flat-rolled products, bars and rods, angles, shapes and sections of iron or non-alloy steel	Manufacture from ingots or other primary forms or semi-finished materials of heading 7206 or 7207
7218 91 and 7218 99	Semi-finished products	Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 and 7218 10
7219 to 7222	Flat-rolled products, bars and rods, angles, shapes and sections of stainless steel	Manufacture from ingots or other primary forms or semi-finished materials of heading 7218
7224 90	Semi-finished products	Manufacture from materials of heading 7201, 7202, 7203, 7204, 7205 or 7224 10
7225 to 7228	Flat-rolled products, hot-rolled bars and rods, in irregularly wound coils; angles, shapes and	Manufacture from ingots or other primary forms or semi-finished products of heading 7206, 7207, 7218 or 7224

	sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel	
7307 21 to 7307 29	Tube or pipe fittings of stainless steel	Turning, drilling, reaming, threading, deburring and sandblasting of forged blanks, provided that the total value of the forged blanks used does not exceed 35% of the ex-works price of the product
ex Chapter 74	Copper and articles thereof; except for	Manufacture from materials of any heading, except that of the product
7403 21, 7403 22 and 7403 29	Copper alloys	Manufacture from materials of any heading
7407	All Goods	Manufacture: From materials of any heading, except that of the product, and In which the value of all the materials used does not exceed 50% of the ex-works price of the product
7408	All Goods	Manufacture: From materials of any heading, except that of the product, and In which the value of all the materials used does not exceed 50% of the ex-works price of the product
7409	All Goods	Manufacture: From materials of any heading, except that of the product, and In which the value of all the materials used does not exceed 50% of the ex-works price of the product
7410	All Goods	Manufacture: From materials of any heading, except that of the product, and In which the value of all the materials used does not exceed 50% of the ex-works price of the product
7411	All Goods	Manufacture: From materials of any heading, except that of the product, and In which the value of all the materials used does not exceed 50% of the ex-works price of the product
Chapter 75	Nickel and articles thereof	Manufacture from materials of any heading, except that of the product
ex Chapter 76	Aluminium and articles thereof; except for:	Manufacture from materials of any heading, except that of the product
7601	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture by thermal or electrolytic treatment from unalloyed aluminium or waste and scrap of aluminium

7604	All Goods	<p>Manufacture: From materials of any heading, except that of the product, and</p> <p>In which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
7605	All Goods	<p>Manufacture: From materials of any heading, except that of the product, and</p> <p>In which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
7606	All Goods	<p>Manufacture: From materials of any heading, except that of the product, and</p> <p>In which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
7607	All Goods	Manufacture from materials of any heading, except that of the product and heading 7606
7608	All Goods	<p>Manufacture: From materials of any heading, except that of the product, and</p> <p>In which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
7609	All Goods	<p>Manufacture: From materials of any heading, except that of the product, and</p> <p>In which the value of all the materials used does not exceed 50% of the ex-works price of the product</p>
7616 99	Other articles of aluminium	Manufacture from materials of any heading
ex Chapter 78	Lead and articles thereof; except for:	Manufacture from materials of any heading, except that of the product
7801	All Goods	Manufacture from materials of any heading, except that of the product. However, waste and scrap of heading 7802 may not be used
ex Chapter 79	Zinc and articles thereof; except for:	Manufacture from materials of any heading, except that of the product
Chapter 80	All Goods	Manufacture from materials of any heading, except that of the product
Chapter 81	All Goods	Manufacture from materials of any heading
8207 13 to 8207 30	Rock drilling or earth-boring tools; dies for drawing or extruding metal; tools for pressing, stamping or punching	<p>Manufacture: From materials of any heading, except that of the product, and</p> <p>In which the value of all the materials used does not exceed 40% of the ex-works price of the product</p>
8207 40 to 8207 90	Tools for tapping or threading; tools for drilling, other than for rock-drilling;	Manufacture from materials of any heading, except that of the product

	tools for boring or broaching; tools for milling; tools for turning; other interchangeable tools	
ex Chapter 84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof; except for:	Manufacture from materials of any heading, except that of the Product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8401	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8404	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8407 and 8408	All Goods	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8423	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8425 and 8426	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8427	All Goods	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8428 to 8430	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8432 to 8434	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8443	All Goods	Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price
8444 to 8447	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the

		materials used does not exceed 45% of the ex-works price of the product
8456 to 8467	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8469 to 8471	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8474 and 8480	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
ex Chapter 85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles; except for:	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8504	All Goods	Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8505	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8508 and 8509	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8511 and 8512	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8514 to 8516	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8519	All Goods	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8521	All Goods	Manufacture in which the value of all the

		materials used does not exceed 45% of the ex-works price of the product
8523	All Goods	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8525 and 8526	All Goods	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8527 and 8528	All Goods	Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8529	All Goods	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8530 and 8531	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8536	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8538 and 8539	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8540	All Goods	Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8542 31 to 8542 33 and 8542 39	Monolithic integrated circuits	Manufacture from materials of any heading, except that of the product, or The operation of diffusion, in which integrated circuits are formed on a semi-conductor substrate by the selective introduction of an appropriate dopant, whether or not assembled and/or tested in a non-party, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8544	All Goods	Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8545	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
8546 to 8548	All Goods	Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product

8601 10	Rail locomotives powered from an external source of electricity	Manufacture from materials of any heading, except that of the product
8603 10	Self-propelled railway or tramway coaches, vans and trucks, other than those of heading 8604, powered from an external source of electricity	Manufacture from materials of any heading, except that of the product
8701 to 8707 and 8712	Vehicles other than railway or tramway rolling-stock; bodies and chassis fitted with engines for the motor vehicles of headings 8701 to 8705; bicycles	Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
8708 to 8711 and 8713 to 8716	Parts and accessories for vehicles of headings 8701 to 8705 and 8711 to 8713; Motorcycles; Works trucks and parts thereof; carriages and parts thereof; Trailers and semi-trailers and parts thereof	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
ex Chapter 90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof; except for:	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
9001	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
9002	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 45% of the ex-works price of the product
9012 and 9013	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
9020, 9022 and 9027	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the materials used does not exceed 50% of the ex-works price of the product
9030 to 9032	All Goods	Manufacture from materials of any heading, except that of the product, or Manufacture in which the value of all the

		materials used does not exceed 50% of the ex-works price of the product
9601 and 9602	All Goods	Manufacture from materials of any heading, except that of the product

Annex 2

Quota-Based Derogations from the Standard Product Specific rules of Origin for Goods originating in South Korea

(These derogation rules do not apply to goods originating in the European Union)

Note: In those cases where the tariff heading is preceded by 'ex' the rule in column 1 applies only to the particular product(s) described in column 2

Tariff heading	Description of product	Origin rule which applies to Korean goods under the derogation	Annual quota
ex 1604 20	Preparations of surimi which are at least composed of 40% of fish per weight of the product and which uses as primary ingredient of the surimi base Alaska Pollack (theragra Chalcogramma) species	Manufacture from materials of chapter 3	Annual quota for year 1: 200 Metric tons Annual quota for year 2: 2500 Metric tons Annual quota for year 3 and onwards: 3500 Metric tons
ex 1905 90	Biscuits	Manufacture from materials of any heading, except that of the product	Annual quota of 270 Metric tons
2402 20	Cigarettes containing tobacco	Manufacture from materials of any heading, except that of the product	Annual quota of 250 Metric tons
5204	Cotton sewing thread, whether or not put up for retail sale	Manufacture from man-made staple fibres, not carded or combed or otherwise prepared for spinning	Annual quota of 86 Metric tons
5205	Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale	Manufacture from man-made staple fibres, not carded or combed or otherwise prepared for spinning	Annual quota of 2310 Metric tons
5206	Cotton yarn (other than sewing thread),	Manufacture from man-made staple fibres, not	Annual quota of 377 Metric tons

5207	<p>containing less than 85% or more by weight of cotton, not put up for retail sale</p> <p>Cotton yarn (other than sewing thread) put up for retail sale</p>	<p>carded or combed or otherwise prepared for spinning</p> <p>Manufacture from man-made staple fibres, not carded or combed or otherwise prepared for spinning</p>	<p>Annual quota of 92 Metric tons</p>
5408	<p>Woven fabrics of man-made filament yarn</p>	<p>Manufacture from man-made filament yarns, or</p> <p>Dyeing accompanied by at least 2 preparatory or finishing operations (such as scouring, bleaching, mercerising, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatizing, impregnating, mending and burling), provided that the value of the undyed fabric used does not exceed 50% of the ex-works price of the product</p>	<p>Annual quota of 17,805,290 square meters equivalent (SME)</p>
5508	<p>Sewing thread of man-made staple fibres, whether or not put up for retail sale</p>	<p>Manufacture from man-made staple fibres, not carded or combed or otherwise prepared for spinning</p>	<p>Annual quota of 286 Metric tons</p>
5509	<p>Yarn (other than sewing thread) of synthetic fibres, not put up for retail sale</p>	<p>Manufacture from man-made staple fibres, not carded or combed or otherwise prepared for spinning</p>	<p>Annual quota of 3437 Metric tons</p>
5510	<p>Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale</p>	<p>Manufacture from man-made staple fibres, not carded or combed or otherwise prepared for spinning</p>	<p>Annual quota of 1718 Metric tons</p>
5511	<p>Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale</p>	<p>Manufacture from man-made staple fibres, not carded or combed or otherwise prepared for spinning</p>	<p>Annual quota of 203 Metric tons</p>