Global Origin Conference, Santiago, Chile, 7-9 November 2023

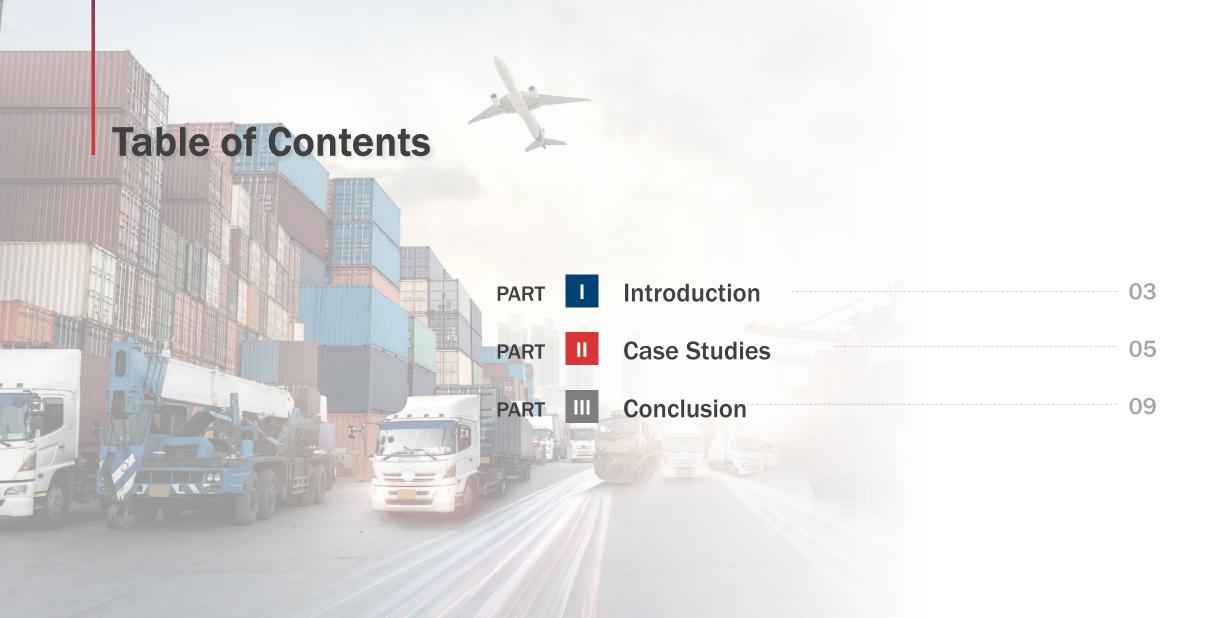
KCS Efforts To Green Origin Procedure



Korea Customs Service







Introduction Backgrounds





United Nations Framework Convention on Climate Change adopted in 1992



Kyoto Protocol: international agreement that aims to fight global warming in 1997



Paris Agreement under the UNFCC adopted in 2015



In October, 2023, KCS announced the new vision, where Green Customs was included in the Action Plan

Korea Customs Green Customs Efforts



1. Enforcement

- Crackdown on sub-standard, low-efficiency motors
- Special investigation on illegal trade of wastes

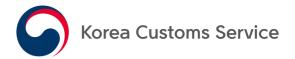
2. Industry Support

- Benefits for the companies certified as Net-Zero contributors
- Green origin procedures

3. Administration

- Mobile notification for Customs fine
- Project to design eco-friendly guardship





Case Study 1: Pilot-verification on carbon neutral products (2022)

- FTA Customs Act: KCS may provide technical assistance to SMEs
- 12 companies making carbon neutral products in May, 2022

EV parts, secondary battery parts, recycled fiber, recycled tires, biodegradable fibers, wind turbine parts, etc.

• On-site or online consultations from July to October, 2022

✓ **Pre-assessment** on the origin risk

✓ **Support** for FTA utilization and origin management

Case Study 2: Simplified origin certification for certified recycled goods

- Good Recycled certified by Korean government (366 items)
- Assessment criteria
 - ✓ KS standard



✓ Product-specific contents of recycled materials



Of the 44 GR items requiring 100% use of domestically recycled materials, KCS selected 25 items



Case Studies Greening Origin Procedures



Case Study 2: Simp

Simplified CO cert

✓ (Before) <u>8 ma</u>

✓ Powdered lat

product fertil

- Amended Korea
- To expand simpli

CERTIFICATE

Good Recycled Product

Certificate No. :

Product :

(Quality Certification Standards No. :

Company : President Name :

Company Address:

Valid Thru

This is to certify that the following designated product is properly recycled, and is assessed as having good quality performance. This certification is in accordance with Article 2 of Framework Act on Low Carbon, Green Growth, Article 15 of Industrial Technology Innovation Promotion Act and Article 33 of Act on Promotion of Saving and Recycling of Resources.

JAN. 00, 2020

cycled goods

ficate

der of waste tires, by-

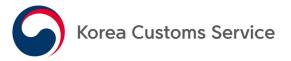
copper, etc.

ptember, 2023

Minister

Ministry of Trade, Industry & Energy Republic of Korea

Case Studies Greening Origin Procedures





Used Vehicle Export

386K pieces	466K pieces	405K pieces
14.7%	24.4%	22.5%
2020	2021	2022
Non-FTA Partners		

FIA Partners

Case Study 3: FTA utilization in exporting used vehicles

- Difficulties in proving origin of used vehicles
- 'CTH' makes it easier to prove origin (4 FTAs)
 - ✓ HS code of vehicles: 8701~8705
 - ✓ HS code of vehicle parts & accessories: 8708
- Meeting with the used car industry in September, 2023
 - ✓ Ministry of Economy and Finance, a major car maker & used car associations

Conclusion Outreach to the Industry





Quarterly Meeting of **Customs Business Support Centers** where **green customs** strategy was discussed (September, 2023)







Way Forward

- Continue to explore eco-friendly origin procedures
 - Cooperate with the car industry to facilitate origin verification of used cars
 - Expand simplified certification to more GR-certified items
- Implement green ROO in FTA negotiation
- Maintain transparency and stakeholders cooperation
- Respond to non-compliance by retroactive origin verification

Thank you for your Attention!

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Korea Customs Service

