E-commerce Clearance

Korea Customs Service
E-commerce Division
ICT & Data Planning Division

1. E-commerce Clearance Scheme

▶ **WCO Framework of Standards on Cross-border E-commerce**

" **Cross‑border E‑commerce** " : Online selling of goods to consumers and this digital transactions are subject to customs control

▶ **Act on the Consumer Protection in Electronic Commerce** (Article 2)

" **E-commerce** " : Buying or selling of goods over an electronic network

> ▶ **Framework Act on Electronic Documents and Transactions** (Article 2-5)
>
> " **Electronic transaction** " : Transactions of goods and services by digital document in whole or partly

▶ **Customs Act** (Article 2-19)

" **E-commerce goods** " : Imported and exported goods traded electronically through online shopping mall (Virtual shopping mall where goods and services are sold and bought via computer or IT system)
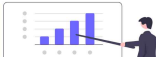
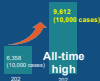## Global surge in cross-border e-commerce

1 Rapid growth in global e-commerce market

Continued growth expected over the next 5 years
Approximately **75%↑** increase by 2025 compared to 2020

2 Sharp increase in e-commerce imports

Approximately **106%↑** increase in 2023 compared to 2020

9,612 (10,000 cases)

6,358 (10,000 cases)

All-time high

'20'   '23'

3 Continued increase in e-commerce users

In 2023, 25,063 thousand users, a **48%↑** increase from 16,985 thousand users in 2020

Global e-commerce market

4trillion (2020) → 5trillion (2023) → 7trillion (2025)

[Unit : USD]
[Source : e Marketer]

The proportion of e-commerce imports

(Unit: 10,000 cases)

	'20	'21	'22	'23
%	81%	85%	87%	90%
E-commerce	630	894	981	1,314
General cargo	785	1,038	1,108	1,468

[Source : KCS]

Number of personal clearance codes issued

(Unit: 1,000 cases)

	'20	'21	'22	'23
(Growth YoY)		20%	12%	11%
	16,985	20,347	22,683	25,063
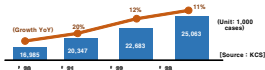
[Source : KCS]

Import ▶ Declaration Method

Type (2023)	Express cargo				International mail	General cargo			Total
	Goods List submission	Simplified Import declaration	General Import Declaration	Total	Import Declaration	Simplified Import declaration	General Import Declaration	Total	
No. of cases (1,000)	96,929	51	34,463	131,443	3	0	1	1	131,447
Percentage (%)	73.7	-	26.2	99.99	-	-	-	-	100
Value (Million $)	2,742	20	2,516	5,278	4	0	11	11	5,293
Percentage (%)	51.8	0.4	47.5	99.7	0.1	-	0.2	0.2	100

- [No. of cases]

  Goods list clearance for express cargo (73.7%) >Import declaration for express cargo (26.2%)

- [Value]

  Goods List clearance for express cargo (51.8%) >Import declaration for express cargo (47.5%)

3. Import Clearance Procedures for Express Cargo

Incheon airport express cargo center

Period : 2013 to early 2016
Area : Total ground area of 35,885㎡
(4 stories for work area, 2 stories for storage)
Location : In the cargo terminal of
 Incheon Airport Intl Airport
Project Fund : Total of KRW 6.2 billion

Functional process in cross-section

Land-side

Goods to be inspected

Taxes payable

Warehouse

Inspected goods

Customs inspection area

Automatic sorting machine

X-ray

Air-side

Release cargo

Sort by business

Lines indicating Restricted Access

Carry-in cargo

ULD

3. Import Clearance Procedures for Express Cargo

Unloading

SWIFT WAREHOUSING
Warehousing from landing-side

Entry of Goods

14 ARRIVAL LINES
6 Automatic, 7 manual, and 1 large-sized lines

Detection Dog

DETECTION DOGS
Canine detection on whole goods from high-risk regions

Barcode Scanning

FIVE 3D IPS
Barcode image scanning

X-Ray Inspection

100% X-RAY SCANNING
Matching x-ray images with Customs entry information

Result Feedback

FIVE 3D IPS
Read x-ray results to sort goods to go through intrusive inspection

Automatic Sorter

SORTING GOODS FOR INTRUSIVE INSPECTION

Intrusive Inspection

16 INSPECTION LINES
Drugs, fire arms, and foods subject to quarantine are inspected

Storage Warehouse

31 STORAGE LINES
Final check by couriers of Unaccepted and undeclared goods

Release

31 CARGO DISTRIBUTOR
Automatic sorting for domestic delivery by destination and operators

CONSIGNMENTS EXEMPTED FROM INTRUSIVE INSPECTION ARE IMMEDIATELY RELEASED

5. Way Forward

E-Commerce Exclusive Clearance System Project Outline

Point 1 — New declaration form

Add items on the declaration form to declare the e-commerce businesses involved, remove other unnecessary items

→ **Improving Current Import declaration form to suit E-commerce trading**

Point 2 — Supply chain-based risk management system

Expedite clearance of goods for E-commerce traders who provide transaction information to Customs Agency

→ **Active support for the people to quickly receive their goods purchased directly from overseas**

Point 3 — The Personal Authentication System

Adopt Identification process when ordering e-commerce products, (using QR code, biometrics)

→ **Eliminating the fear of personal customs unique code theft**
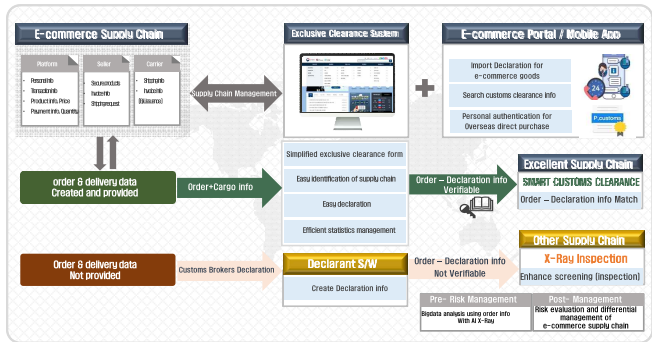
Point 4 — Public service on e-commerce

Establish online portal and mobile apps for customs clearance tracking and real-time customer service

→ **Provision of one-stop service related E-commerce**

E-Commerce Exclusive Clearance System Project Outline

Thank You

감사합니다

For any questions after confernce,

Contact
sunnycho@korea.kr
k1021021@korea.kr