

C-10-11

10 November 2011

To: The Documentation Managers of all EUR1 Issuing Bodies

Dear Colleague

CUSTOMS INFORMATION PAPER (11) 93

Tariff Preference: South Korea - derogation from origin rules for some products

Who should read:	All involved with importing under the EU-South Korea Free Trade Agreement – preparations of surimi, biscuits, cigarettes, yarn (cotton and synthetic), sewing thread and woven fabrics of certain artificial filament yarn
What is it about:	Retrospective derogations from the normal preferential rules of origin for the above products exported from South Korea on or after 1 July 2011, and which are released to free circulation in the European Union on or after that date.
When effective:	1 July 2011
Extant until/ Expires	Until further Notice

1. Introduction

The European Commission has recently published Commission Implementing Regulation (EU) No. 1093/2011 which grants on a retrospective basis derogations from the normal preferential rules of origin for:

- Preparations of surimi in commodity code 1604 20 05
- Biscuits in code 1905 90 45
- Cigarettes containing tobacco in code 2402 20
- Cotton sewing thread (whether or not put up for retail sale) in 5204
- Cotton yarn (other than sewing thread) containing 85% or more by weight of cotton, not put up for retail sale in code 5205

- Cotton yarn (other than sewing thread) containing less than 85% by weight of cotton, not put up for retail sale in code 5205 or in code 5206
- Cotton yarn (other than sewing thread) put up for retail sale in code 5207
- Woven fabrics of artificial filament yarn , including woven fabrics obtained from materials of heading 5405 or heading 5408
- Sewing thread of man-made staple fibres, whether or not put up for retail sale in code 5508
- Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale in code 5509
- Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale in code 5510
- Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale in code 5511

The derogations allow producers in South Korea to use the preferential rules of origin in the annex to this paper to manufacture the products concerned, instead of the normal rules in the Agreement.

They apply within the limits of first come first served tariff quotas, to eligible products which are exported from South Korea and which are released to free circulation in the European Union on or after 1 July 2011, and are covered by an origin declaration issued by the Korean exporter containing the following statement:

'Derogation – Annex II(a) of the Protocol concerning the definition of originating products and methods of administrative co-operation'

PLEASE NOTE: In order to benefit from the quotas certain of the products concerned will need documents in addition to origin declarations containing the above statement – see paragraph 2(b) below for further information.

2. Claims to quota and documentary requirements

(a) Claims to quota

Importers, agents and forwarders must make a claim to the appropriate Tariff Quota by inserting the following Tariff Quota Order Number in Box 39 of the import declaration (SAD) in every case where goods are covered by an origin declaration containing the above statement.

HS Heading of the product	Product description	Quota Order Number
1604 20 05	Preparations of surimi which are at least composed of 40% of fish per weight of the product and which uses as the primary ingredient of the surimi based Alaska Pollock (of the species <i>Theragra Chalcogramma</i>)	092450
1905 90 45	Biscuits	092451
2402 20	Cigarettes containing tobacco	092452
5204	Cotton sewing thread (whether or not put up for retail sale)	092453
5205	Cotton yarn (other than sewing thread) containing 85% or more by weight of cotton, not put up for retail sale	092454
5206	Cotton yarn (other than sewing thread) containing less than 85% by weight of cotton, not put up for retail sale	092455
5207	Cotton yarn (other than sewing thread) put up for retail sale	092456
5408	Woven fabrics of artificial filament yarn , including woven fabrics obtained from materials of heading 5405	092457
5508	Sewing thread of man-made staple fibres, whether or not put up for retail sale	092458
5509	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale	092459
5510	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale	092460
5511	Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale	092461

The document code U059, certificate number and document status code must be inserted in box 44 of the customs declaration.

If an origin declaration does not bear an endorsement it can be assumed that the products are not covered by the derogations, and a regular non-quota claim to preference can be made subject to the satisfaction of all relevant conditions, including compliance with the normal preferential rules of origin.

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HMRC will consider retrospective claims to quota on eligible products which were released to free circulation on or after 1 July 2011, and which are covered by a retrospectively issued origin declaration including the above statement and by the necessary additional evidence, where required.

If you have already paid the full rate of customs duty on eligible products which were released to free circulation on or after 1 July 2011, you should send the retrospectively issued origin declaration containing the derogation statement and the additional evidence, where required, with a claim for repayment (on Form C285) to:

HM Revenue and Customs
National Duty Repayment Centre
Quota Seat
Building 72
Priory Court
St John's Road
Dover
CT17 9SH

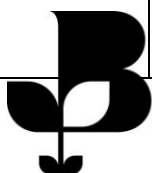
The European Commission will not make an allocation against quota requests until 14 November 2011

(b) Additional documentary requirements

In addition to the origin declaration containing the above statement, claims to quota on certain of the products covered by the derogations must be supported by supplementary documents.

The following table lists the quotas/products concerned and the additional documentary evidence required.

Quota Order Number	Product	Additional documentary evidence required
092450	Preparations of surimi in Commodity Code 1604 20 05	<p>A signed statement in English issued by the approved exporter in Korea, stating that:</p> <ul style="list-style-type: none"> • The surimi preparation contains at least 40% fish by weight; and • Alaska Pollock species Theragra Chalcogramma has been used as the primary ingredient of the surimi base <p>The signed statement must also include:</p> <ul style="list-style-type: none"> • The amount of Alaska Pollock (species Theragra Chalcogramma) used as a percentage of the fish used for producing the surimi; and • The country of origin of the Alaska Pollock
092457	Dyed woven fabrics in codes 5408 22 and 5408 32	<p>A signed statement in English issued by the approved exporter in Korea, stating that:</p> <ul style="list-style-type: none"> • The undyed fabric used does not exceed 50% of the ex works price of the product <p>The signed statement must also include:</p> <ul style="list-style-type: none"> • The price in euro of the non-originating undyed fabrics used to make the dyed woven fabric in codes 5408 22 and 5408 32; and • The ex works price in euro of the dyed woven fabrics in codes 5408 22 and 5408 32



3. Contact

Nina Ramsey, HM Revenue and Customs, Excise, Customs, Stamps and Money, Duty Liability, 10th Floor South-East, Alexander House, 21 Victoria Avenue, Southend-on-Sea, SS99 1AA. Tel: 01702 367918, FAX: 01702 367342, E-Mail: Nina.ramsey@hmrc.gsi.gov.uk

Issued on the **09 November 2011** by the [JCCC Secretary](#) HMRC, Excise, Customs Stamps & Money Directorate.

If you have a question about the content of this paper please use the details provided in the Contacts section. For general HMRC queries speak to the VAT, Excise & Customs Helpline on Tel 0845 010 9000.

To find out what you can expect from us and what we expect from you go to www.hmrc.gov.uk/charter and have a look at [Your Charter](#)

ANNEX CIP (11) 93

HS Heading of the product	Product description	“Derogation” rule
1604 20 05	Preparations of surimi which are at least composed of 40% of fish per weight of the product and which uses as the primary ingredient of the surimi based Alaska Pollock (of the species <i>Theragra Chalcogramma</i>)	Manufacture from (non-originating) materials of Chapter 3
1905 90 45	Biscuits	Manufacture from (non-originating) materials of any heading, except that of the product
2402 20	Cigarettes containing tobacco	Manufacture from (non-originating) materials of any heading, except that of the product
5204	Cotton sewing thread (whether or not put up for retail sale)	Manufacture from (non-originating) man-made staple fibres, not carded or combed or otherwise prepared for spinning
5205	Cotton yarn (other than sewing thread) containing 85% or more by weight of cotton, not put up for retail sale	Manufacture from (non-originating) man-made staple fibres, not carded or combed or otherwise prepared for spinning

5206	Cotton yarn (other than sewing thread) containing less than 85% by weight of cotton, not put up for retail sale	Manufacture from (non-originating) man-made staple fibres, not carded or combed or otherwise prepared for spinning
5207	Cotton yarn (other than sewing thread) put up for retail sale	Manufacture from (non-originating) man-made staple fibres, not carded or combed or otherwise prepared for spinning
5408	Woven fabrics of artificial filament yarn , including woven fabrics obtained from materials of heading 5405	Manufacture from (non-originating) man-made filament yarns Or Dyeing accompanied by at least two 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.
5508	Sewing thread of man-made staple fibres, whether or not put up for retail sale	Manufacture from (non-originating) man-made staple fibres, not carded or combed or otherwise prepared for spinning
5509	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale	Manufacture from (non-originating) man-made staple fibres, not carded or combed or otherwise prepared for spinning
5510	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale	Manufacture from (non-originating) man-made staple fibres, not carded or combed or otherwise prepared for spinning

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5511	Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale	Manufacture from (non-originating) man-made staple fibres, not carded or combed or otherwise prepared for spinning
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Yours



Paul Wrighting
National Trade Services Manager