



**Presidential Decree on Preferential Tariff for Least-Developed Countries**

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Customs Cooperation Div. T : 503-9238

**(Presidential Decree No.16553)**

**Presidential Decree on Preferential Tariff for Least-Developed Countries<sup>1)</sup>**

**Article 1 (Purpose)**

The purpose of the Decree is to govern the granting of preferential tariff to least-developed countries in accordance with Paragraph 3 of Article 43-17 of the Customs Law.

**Article 2 (Definition)**

"Least-developed countries" in this Decree refer to countries specified in Annex คฉฐ.

**Article 3 (Products and Tariff Rates)**

Products eligible for preferential tariff and the rates are specified in Annex คทท. In case of products eligible for minimum market access(MMA) under the Presidential Decree on Tariff Concessions granted pursuant to the World Trade Organization Agreement and Other Agreements, preferential tariffs apply only to in-quota amount.

**Article 4 (Remedy for Injury to Domestic Industries)**

1. In cases where a sharp increase in the import of products eligible for preferential tariff causes or threaten to cause serious injury to domestic industries which produce like products, or directly competitive or substitutable products, for the purpose of protecting the domestic industries, the relevant Ministry or interested person may request the Minister of Finance and Economy to suspend the application of preferential tariffs to the product in question.
2. When the relevant Ministry or an interested person wishes to request the Minister of Finance and Economy to suspend the application of preferential tariff pursuant to paragraph 1, the following information or documents shall be submitted to the Ministry of Finance and Economy.

- (1) HS code number, description, size, use and substitutable products.
- (2) Materials used in producing the product in question and documents explaining the

the ATIGA, the "Issued Retroactively" box should be ticked (✓)

14. ACCUMULATION: In cases where goods originating in a Member State are used in another Member State as materials for finished goods, in accordance with paragraph 1 of Article 30 of the ATIGA, the "Accumulation" box should be ticked (✓)

15. PARTIAL CUMULATION (PC): If the Regional Value Content of the material is less than forty percent (40%), the Certificate of Origin (Form D) may be issued for cumulation purposes, in accordance with paragraph 2 of Article 30 of the ATIGA, the "Partial cumulation" box should be ticked (✓)

15. DE MINIMIS: If a good that does not undergo the required change in tariff classification does not exceed ten percent (10%) of the FOB value, in accordance with Article 23 of the ATIGA, the "De Minimis" box should be ticked (✓)

use and the manufacturing process of the products produced using the product in question as input.

- (3) Records of demand and supply of the product for the previous 1 year and forecast of the demand and supply for the following 1 year.
  - (4) Monthly records of import price and amount by countries for the latest 1 year.
  - (5) Monthly factory prices of the product and sales performance by domestic producers for the latest 1 year.
  - (6) Description of injuries to domestic industries and the period for the suspension of preferential tariffs.
  - (7) Other information to prove that serious injuries are caused to domestic industries or there exists a threat to cause serious injuries to domestic industries.
3. The Minister of Finance and Economy shall examine whether there are reasons to suspend the application of preferential tariffs within 15 days from the date on which the request is made pursuant to paragraph 1 unless there is a special reason for delay.
  4. When it is determined as the result of the examination in paragraph 3 that there are reasons to suspend the application of preferential tariffs, the Minister of Finance and Economy shall decide the suspension of application of preferential tariff immediately and announce its decision in a Ministerial Ordinance.
  5. The suspension of application of preferential tariff shall go into effect from the date on which the Ministerial Ordinance is released in accordance with paragraph 4.

#### **Article 5 (Rules of Origin)**

1. Products eligible for preferential tariff shall be wholly produced or obtained in the exporting country. The following products shall be considered as wholly produced or obtained in the exporting country:
  - (1) Raw or mineral products extracted from soil, waters or seabeds of the exporting country;
  - (2) Agricultural and forestry products harvested in the exporting country;
  - (3) Animals born and raised in the exporting country and products obtained from such animals.
  - (4) Products obtained by hunting or fishing conducted in the exporting country;
  - (5) Marine products caught in high seas by vessels of the exporting country and products manufactured or processed, using such products as a material. In this case, "vessels of the exporting country" refer to vessels registered in the exporting country, at least 60% of equity of which is owned by a citizen(s) or the government of the exporting country, or corporation or association legitimately registered in the exporting country.

- (6) Used articles collected in the exporting country, fit only for the recovery of raw materials.
  - (7) Waste and scrap resulting from manufacturing operations conducted in the exporting country.
  - (8) Goods produced in the exporting country exclusively from the products referred to in subparagraphs 1 to 7 above.
2. Products which are finally manufactured or processed in the exporting country by using products, as input, which originate from countries other than the exporting country, or the origin of which is not determined, shall be eligible for preferential tariffs, if the value of the inputs does not exceed 50 per cent of the F.O.B. price of the final products. In this case, if the final products include the products originating from the Republic of Korea as input, the value of these products shall be excluded from the calculation of the total value of inputs.
  3. The value of inputs referred to in paragraph 2 shall be calculated in the following order:
    - (1) The value including freight and insurance cost at the time of importation to the exporting country(C.I.F. price)
    - (2) The ascertainable price paid first for the inputs in the exporting country.
  4. Those who wish to receive preferential tariffs shall submit a Certificate of Origin in Annex กฉ issued by the government of the exporting country or an authority designated by that government.
  5. Article 53-4 of the Enforcement Decree of the Customs Law shall be invoked in cases not covered by the rules of origin set out in paragraphs 1 to 4.

## **Addendum**

This Decree shall go into effect on January 1, 2000.

Annex กฉ

Least-Developed Countries Eligible for Preferential Tariff

1. Asia(14)

Afghanistan, Bangladesh, Cambodia, Myanmar, Bhutan, Kiribati, Laos, Maldives, Nepal, Samoa, Tuvalu, Vanuatu, the Solomon Islands, Yemen

2. Africa(33)

Angola, Benin, Burkina Faso, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Djibouti, Equatorial Guinea, Eritria, Ethiopia, Gambia, Guinea, Guinea Bissau, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sao Tome & Principe, Sierra Leone, Somalia, Sudan, Tanzania, Togo, Uganda, Zaire, Zambia

3. America(1)

Haiti

Annex II

Preferential Products and Tariff Rates

HS Code	Description	Rate of Duty
0301 0301.10	Live fish. - Ornamental fish	0
0306  0306.2 0306.21	Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption. Not frozen : - Rock lobster and other sea crawfish (Palinurus spp., Panulirus spp., Jasus spp.)	0
0307  0307.5 0307.59	Molluscs, whether in shell or not, live, fresh, chilled frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption. Octopus(Octopus spp.): - Other, other than frozen poulp squid	0
0801	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled	