

(Korea Dairy Industries Association Public Announcement No. 2013- 1: January 2, 2013)

**Detailed Guideline on Import License Allocation and
Recommendation of Tariff Rate Quotas Under the Korea-U.S. FTA
for Year 2**

1. Basis

The Agro-fisheries TRQ Recommendation and Import Management Guideline Pursuant to the Free Trade Agreement Between the Republic of Korea and the United States of America (Ministry for Food, Agriculture, Forestry and Fisheries Public Notice No. 2012- 302).

2. Products and Quantity (Please refer to Annex Table 3)

a. Cheese products: 7,210 tons

b. Food whey: 3,090 tons

c. Prepared dry milk and other: 721 tons

3. HSK Codes for Each Product Item (Please refer to Annex Table 4)

a. Fresh, curd grated or powdered, processed, and all other cheeses

0406.10.1010, 0406.10.1020, 0406.10.1090, 0406.20.0000, 0406.30.0000

0406.90.1000(cheddar cheese), 0406.90.2000, 0406.90.3000, 0406.90.4000,
0406.90.9000

- However, cheddar cheese shall be admitted free of duty from year 10 and TRQ shall no longer apply.

b. Food whey

- 0404.10.1019, 0404.10.1099, 0404.10.2119, 0404.10.2129, 0404.10.2139,
0404.10.2199, 0404.10.2990

c. Prepared dry milk and other

- 1901.10.1010, 1901.10.1090

4. Applicable Period: January 1, 2013 ~ December 31, 2013

5. Applied Tariff Rate: 0%

6. Persons Eligible for Allocation and Recommendation: End-users such as historical and new importers, etc.

7. Application Period: January 2, 2013 ~ January 15, 2012 (2 weeks)

8. Agency for Allocation and Recommendation: Korea Dairy Industries Association (KDIA)

9. Persons to Receive Allocation: Historical and new importers

- Shall be limited to importers who have the Certificate of Livestock Product Import and Distribution Business at the date of this Public Announcement.

10. Allocation Criteria

- 90% and 10% of total TRQ shall be allocated for historical importers and newly applying importers, respectively

- Historical importers: Importers who have import record for pertinent product for the past 2 years (2011 – 2012)
- Newly applying importers: Importers who do not have import record for pertinent products for the past 2 years (2011 – 2012)

A. Allocation for historical importers

- 90% of total quantities for quota year shall be allocated in a lump sum to historical importers during January

- At most, double the amount of the quantity imported in the previous year will be recognized as the quantity to be requested for the quota year.

- Past two-year (2011 – 2012) international import records will be given a weight of 90% and quantity requested for the quota year a weight of 10%. Notwithstanding, if it is needed, a minimum quantity can be determined and allocated.

- In the event there are unused quantities from the quota, such quantities shall be added to returned quantities and re-allocated.

B. Allocation for newly applying importers

- 10% of total quantities for quota year shall be allocated in a lump sum and equally to newly applying importers during January
- Allocation quantities for each importer cannot exceed the minimum allocation quantities of historical importers.
- In the event there are unused quantities, such quantities shall be re-allocated to historical importers.

C. Re-allocation of returned quantities and expected unused quantities

- January – June:
 - Eligible persons for Allocation: Allocation for historical importers who missed the allocation and newly applying importers (Shall be limited to importers who have the Certificate of Livestock Product Import and Distribution Business at the date of the Public Announcement)
 - Allocation method: Current method shall be applied
- July – December: Allocation on a first-come first-served basis
 - Eligible persons for Allocation: Newly applying importers and historical importers who used up allocation (Notwithstanding, it is essential to submit the B/L, invoice and import related documents.)
 - Allocation method: In the event the requested re-allocation quantities exceed the amount possible for reallocation, the allocation shall be determined on a ratio of the requested volume.

D. Upper Limit for Allocation: An upper limit per importer may be established at 20% of the total amount in order to provide appropriate allocation of the total amount.

11. Country of Origin of Recommended Products: United States of America

12. Issuance of Recommendation

- A Recommendation shall be issued for Korea-US FTA TRQ's if and when it is determined that the requirements in the *Agro-Fisheries Product Tariff Rate Quota Recommendation and Import Management Guideline Pursuant to the Free Trade Agreement Between the Republic of Korea and the United States of America* are met, in accordance with Ministry for Food, Agriculture, Forestry and Fisheries Public Notice (No. 2012-302).

13. Validity Period of a Recommendation

- The validity period for a Recommendation shall be ninety (90) days from the date of issuance. However, if the last day of the validity period is a national holiday, the Recommendation shall be deemed to expire on the first working day after such national holiday.

14. Application Documents

a. Application for TRQ Allocation

- (1) One copy of application form for allocation of dairy product TRQ's: refer to Annex 1
- (2) Documentary evidence of past two-year import records
- (3) One copy of Certificate of Business Registration
- (4) One copy of Certificate of Registration for Livestock Product Import and Distribution Business

b. Application for TRQ Recommendation After TRQ Allocation

- (1) One copy of *Application Form for Korea-US FTA Tariff Rate Quota Recommendation*: refer to Annex 2
- (2) One copy of bill of lading
- (3) One copy of commercial invoice
- (4) One copy of import agent service contract (only when using contracted import agent)
- (5) One copy of Country of Origin related documents

15. Measures to Facilitate Fulfillment Rate

- In order to facilitate full fulfillment of a TRQ (minimum fulfillment rate of 95%), the importer with the allocated quota must return the anticipated unused quantity at least six months prior to the pre-determined TRQ expiry date.
- In order to facilitate fulfillment, if the fulfillment rate of the allocated TRQ quantity is 95% or less with no quantity returned six months prior to the expiry date, the importer shall be excluded from the next round of allocation.
- As part of additional measures to facilitate fulfillment, the importer with the allocated import license may be requested to report on necessary matters such as fulfillment plan, etc.

16. How to Obtain and Register Applications

- a. How to obtain application forms: Download from the website of Korea Dairy Industries Association (www.koreadia.or.kr)
- b. Where to submit application: Korea Dairy Industries Association
 - Submit application by: E-mail (kmh@koreadia.or.kr) only
 - When registering for application, the e-mail subject should be “KORUS FTA TRQ Application for Year 2 and Company Name”
 - After registration of application by e-mail, confirm call is required
- c. For further information: Contact Korea-US FTA TRQ Manager at Korea Dairy Industries Association (Tel.: 02-584-3631)

(Annex Table 1)

Application for TRQ Allocation Under the Korea-US TRQ Allocation for 2013

1. Name of Company: Department and Person in Charge:

2. Tel.: Fax: E-mail:

3. Purpose: General Domestic Consumption

4. Products and HSK

○ Fresh, curd grated or powdered, processed, and all other cheeses: 0406.10.1010, 0406.10.1020, 0406.10.1090, 0406.20.0000, 0406.30.0000, 0406.90.1000, 0406.90.2000, 0406.90.3000, 0406.90.4000, 0406.90.9000

○ Food whey: 0404.10.1019, 0404.10.1099, 0404.10.2119, 0404.10.2129, 0404.10.2139, 0404.10.2199, 0404.10.2990

○ Prepared dry milk and other: 1901.10.1010, 1901.10.1090

5. Quantity Requested:

Fresh, curd grated or powdered, processed, and all other cheeses: tons / Food whey: tons

/ Prepared dry milk and other: tons

6. Past Import Records (Unit: tons)

Description	Fresh, curd grated or powdered, processed, and all other cheeses	Food whey	Prepared dry milk and other
2011			
2012			
Total			

* Documentary evidence for verifying import records:

- Certificate of Company Records issued by Korea Customs and Trade Development Institute(02-3416-5115~8) or Certificate of Company Export and Import Records issued by Korea International Trade Association via its website for members(www.kita.net).

※ footnotes:

1. Attach one(1) copy of Certificate of Business Registration
2. Attach one(1) copy of documentary evidence on past import records
3. Attach one(1) copy of Certificate of Registration for Livestock Product Import and Distribution Business

I hereby confirm that the information provided above is true and correct.

Name of Company: (Seal of Company Representative)

(Annex Table 2) Application Form for Korea-US FTA Tariff Rate Quota Recommendation

Application Receipt No.:		Required time for processing				
		2 days				
Application Form for the Korea-US FTA Tariff Rate Quota Recommendation						
	Applicant (Tax Payment Obligor)	Importer				
Company name						
Address						
Name of company representative						
Business Registration No.						
Phone No.	(Mobile:)	(Mobile:)				
Fax No.						
◦ Details of Request						
HS Code	Product Name	Quantity	Price	Country of origin	Expected Import Date	Purpose
<p>I hereby apply for the issuance of the TRQ recommendation under the Korea-US FTA based on the Ministry for Food, Agriculture, Forestry and Fisheries Public Notice No. 2012-302.</p> <p style="text-align: right;">mm. dd. year</p> <p style="text-align: right;">Name of applicant _____(seal)</p> <p>To: Head of the Agency</p>						

(Annex Table 3)**Yearly TRQ's Under the Korea-US Free Trade Agreement**

(Unit: tons)

Year	Fresh, curd grated or powdered, processed, and all other cheeses	Food whey	Prepared dry milk and other
1	7,000	3,000	700
2	7,210	3,090	721
3	7,426	3,183	743
4	7,649	3,273	765
5	7,879	3,377	788
6	8,115	3,478	811
7	8,358	3,582	836
8	8,609	3,690	861
9	8,867	3,800	887
10	9,133 (Unlimited for cheddar cheese)	Unlimited	Unlimited
11	9,407		
12	9,690		
13	9,980		
14	10,280		
15	Unlimited		

(Annex Table 4)**Products for TRQ Recommendation Under the Korea-US Free Trade Agreement****(Products for Import License Allocation by Korea Dairy Industries Association)**

Products	HSK	Name of Item	Remarks
Food whey	0404-10-1019	Whey powder(other)	
	0404-10-1099	Whey(other)	
	0404-10-2119	Modified whey (Lactose removed/other)	
	0404-10-2129	Modified whey(Demineralized/other)	
	0404-10-2139	Modified whey(Whey protein concentrates/other)	
	0404-10-2199	Modified whey(Whey from which all or part of the lactose, proteins or minerals have been removed/other)	
	0404-10-2990	Other modified whey (other)	
Fresh, curd grated or powdered, processed, and all other cheeses	0406-10-1010	Cheese(Fresh/Mozzarella)	
	0406-10-1020	Cheese(Fresh/Cream cheese)	
	0406-10-1090	Cheese(Fresh/Other)	
	0406-20-0000	Cheese(Grated or powdered cheese, of all kinds)	
	0406-30-0000	Cheese(Processed/not grated or powdered)	
	0406-90-1000	Other cheese(Cheddar cheese)	
	0406-90-2000	Other cheese(Gouda cheese)	
	0406-90-3000	Other cheese(Camembert cheese)	
	0406-90-4000	Other cheese(Emmental cheese)	
	0406-90-9000	Other cheese(Other)	
Prepared dry milk and other	1901-10-1010	Prepared dry milk	
	1901-10-1090	Prepared dry milk(other)	