

CHAPTER 3 RULES OF ORIGIN AND ORIGIN PROCEDURES

Section A: Rules of Origin

Article 3.1: Definitions

For purposes of this Chapter:

CIF means the value of the good imported, and includes the cost of freight and insurance up to the port or place of entry into the country of importation. The valuation shall be made in accordance with Article VII of GATT 1994 and Customs Valuation Agreement;

exporter means a natural or juridical person located in an exporting Party from where a good is exported by such a person;

FOB means the free-on-board value of a good, inclusive of the cost of transport from the producer to the port or site of final shipment abroad. The valuation shall be made in accordance with Article VII of GATT 1994 and Customs Valuation Agreement;

Generally Accepted Accounting Principles means the recognized consensus or substantial authoritative support in the territory of a Party with respect to the recording of revenues, expenses, costs, assets, and liabilities, the disclosure of information, and the preparation of financial statement. Generally Accepted Accounting Principles may encompass broad guidelines for general application, as well as detailed standards, practices and procedures;

identical and interchangeable goods or materials means goods or materials being of the same kind and commercial quality, possessing the same technical and physical characteristics, and which once they are incorporated into the finished good cannot be distinguished from one another for origin purposes by virtue of any markings, etc.;

importer means a natural or juridical person located in the territory of a Party from where a good is imported by such a person;

materials shall include ingredients, raw materials, parts, components, sub-assemblies used in the production process;

non-originating goods means products or materials that do not qualify as originating under this Chapter;

packing materials and containers for transportation means the goods used to protect a good during its transportation, different from those materials or containers used for its retail sale;

producer means a natural or juridical person who carries out production in the territory of a Party;

Product Specific Rules means the rules that specify that the materials have undergone a change in tariff classification or a specific manufacturing or processing operation, or satisfy a regional value content/qualifying value content¹ or a combination of any of these criteria; and

production means methods of obtaining a good including growing, mining, harvesting, raising, breeding, extracting, gathering, collecting, capturing, fishing, trapping, hunting, manufacturing, processing or assembling a good.

Article 3.2: Origin Criteria

1. For purposes of this Agreement, a good imported into the territory of a Party shall be deemed to be originating and eligible for preferential tariff treatment if it conforms to the origin requirements under any one of the following:

- (a) a good which is wholly obtained or produced entirely in the territory of the exporting Party as set out and defined in Article 3.3;
- (b) a good which is produced entirely in the territory of the exporting Party exclusively from originating materials; or
- (c) a good which is produced entirely in the territory of the exporting Party using non-originating materials, provided the good satisfies the applicable requirements set out in Annex 3-A.

2. Except as provided for in Article 3.6, the conditions for acquiring originating status set out in this Chapter must be fulfilled without interruption in the territory of the exporting Party.

¹ Regional value content (hereinafter referred to as "RVC") and qualifying value content (hereinafter referred to as "QVC") bear the same meaning and are fully interchangeable. For greater certainty, RVC is a percentage that indicates to what extent a good is produced in Korea or Indonesia.

Article 3.3: Wholly Obtained or Produced Goods

Within the meaning of Article 3.2.1(a), the following shall be considered to be wholly obtained or produced entirely in the territory of a Party:

- (a) plants and plant products grown and harvested there;
- (b) live animals born and raised there;
- (c) goods obtained from live animals referred to in subparagraph (b);
- (d) goods obtained by hunting or trapping within the land territory, or fishing or aquaculture conducted within the internal waters or within the territorial sea of a Party;
- (e) minerals and other naturally occurring substances, not included in subparagraphs (a) through (d), extracted or taken from the territory of a Party;
- (f) goods of sea-fishing and other marine life taken from the sea, seabed, or subsoil outside the territorial sea of a Party by vessels registered with a Party and flying its flag, provided that Party has rights to exploit such sea, seabed, or subsoil in accordance with the international law²;
- (g) goods produced or made on board factory ships registered with a Party and entitled to fly its flag, exclusively from products referred to in subparagraph (f);
- (h) goods taken by a Party or a person of a Party from the seabed or subsoil outside the territory of a Party, provided that Party has rights to exploit such seabed or subsoil in accordance with the international law³;
- (i) goods taken from outer space provided that they are obtained by the Party or a person of that Party;
- (j) articles collected from there which can no longer perform their original purpose nor are capable of being restored or repaired and are fit only for the disposal or recovery of parts or raw materials, or for recycling purposes;

^{2,3} “The international law” refers to generally accepted international law such as the *United Nations Convention on the Law of the Sea*.

- (k) waste and scrap derived from:
 - (i) production there; or
 - (ii) used goods collected there, provided that such goods are fit only for the recovery of raw materials; and
- (l) goods obtained or produced in the territory of the Party solely from goods referred to in subparagraphs (a) through (k).

Article 3.4: Calculation of Regional/Qualifying Value Content

For purpose of Article 3.2.1(c), the Parties shall provide that the importer, exporter, or producer may calculate regional/qualifying value content based on one or the other of the following methods:

- (a) Build-Up Method

$$\text{RVC or QVC} = \frac{\text{VOM}}{\text{FOB}} \times 100\%$$

VOM means value of originating materials, which includes the value of originating materials, direct labour cost, direct overhead cost, transportation cost and profit.

- (b) Build-Down Method

$$\text{RVC or QVC} = \frac{\text{FOB} - \text{VNM}}{\text{FOB}} \times 100\%$$

VNM means value of non-originating materials, which shall be: (i) the CIF value at the time of importation of the materials, parts or goods; or (ii) the earliest ascertained price paid for the materials, parts or goods of undetermined origin in the territory of the Party where the working or processing has taken place.

Article 3.5: Treatment for Certain Goods

1. Treatment for Certain Goods shall be governed by Rule 6 of Annex 3 to *the Agreement on Trade in Goods under the Framework Agreement on Comprehensive Economic Cooperation among the Governments of the Republic of Korea and the Member Countries of the Association of Southeast Asian Nations*, and the Exchange of Notes between the Republic of Korea and the ASEAN Member Countries regarding the Implementation and Monitoring of Rule 6 dated 27 February 2009 (hereinafter referred to as “Exchange of Notes”), which are hereby incorporated into and made part of this Chapter.

2. The list of goods subject to treatment under paragraph 1 shall be the list of goods attached to the Exchange of Notes referred to in paragraph 1. The Parties shall revise or amend the aforementioned list of goods through a further exchange of notes within one year from the date of entry into force of this Agreement, unless otherwise agreed.

Article 3.6: Accumulation

Unless otherwise provided for in this Chapter, a good originating in the territory of a Party, which is used in the territory of the other Party as material for a finished good eligible for preferential tariff treatment, shall be considered to be originating in the territory of the latter Party where working or processing of the finished good has taken place.

Article 3.7: Non-Qualifying Operations

1. Notwithstanding any provisions in this Chapter, a good shall not be considered to be originating in the territory of a Party if the following operations are undertaken exclusively by itself or in combination in the territory of that Party:

- (a) preserving operations to ensure that the good remains in good condition during transport and storage;
- (b) changes of packaging, breaking-up and assembly of packages;
- (c) simple⁴ washing, cleaning, removal of dust, oxide, oil, paint

^{4, 5, 6} "simple" generally describes an activity which does not need special skills, machines, apparatus or equipment especially produced or installed for carrying out the activity.

⁷ "simple mixing" generally describes an activity which does not need special skills, machines, apparatus or equipment especially produced or installed for carrying out the activity.

- or other coverings;
- (d) ironing or pressing of textiles;
 - (e) simple⁵ painting and polishing operations;
 - (f) husking, partial or total bleaching, polishing and glazing of cereals and rice;
 - (g) operations to colour sugar or form sugar lumps;
 - (h) simple⁶ peeling, stoning, or un-shelling;
 - (i) sharpening, simple grinding, or simple cutting;
 - (j) sifting, screening, sorting, classifying, grading, matching;
 - (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
 - (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;
 - (m) simple mixing⁷ of products, whether or not of different kinds;
 - (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
 - (o) simple⁸ testing or calibrations; or
 - (p) slaughtering of animals⁹.

2. A good originating in the territory of a Party shall retain its initial originating status, when exported from the other Party, where operations undertaken have not gone beyond those referred to in paragraph 1.

However, "simple mixing" does not include chemical reaction. Chemical reaction means a process (including a biochemical process) which result in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

⁸ "simple" generally describes an activity which does not need special skills, machines, apparatus or equipment especially produced or installed for carrying out the activity.

⁹ "Slaughtering" means the mere killing of animals and subsequent processes such as cutting, chilling or freezing, for purposes of preservation for storage and transport.

Article 3.8: Intermediate Goods¹⁰

1. When an originating good is used in the subsequent production of another good, no account shall be taken of the non-originating materials contained in the originating good for purposes of determining the originating status of the subsequently produced good.
2. When a non-originating good is used in the subsequent production of another good:
 - (a) for purposes of calculating the value of the non-originating materials of the subsequently produced good, an account shall be taken only of the non-originating materials contained in the non-originating good; and
 - (b) for purposes of calculating the value of the originating materials of the subsequently produced good, an account shall be taken of the originating materials contained in the non-originating good.

Article 3.9: Direct Consignment

1. Preferential tariff treatment shall be applied to a good satisfying the requirements of this Chapter and which is transported directly between the territories of the exporting Party and the importing Party.
2. Notwithstanding paragraph 1, a good of which transport involves transit through one or more intermediate third countries, other than the territories of the exporting Party and the importing Party, shall be considered to be consigned directly, provided that:
 - (a) the transit is justified for geographical reason or by consideration related exclusively to transport requirement;
 - (b) the good has not entered into trade or consumption there; and
 - (c) the good has not undergone any operation other than unloading and reloading or any operation required to keep it in good condition.
3. For purposes of implementing paragraph 2, where transportation is effected through the territory of one or more intermediate countries, other than

¹⁰ For greater certainty, this Article applies only to production processes within a Party.

that of the both Parties, the following shall be produced to the relevant government authorities of the importing Party:

- (a) a through Bill of Lading issued in the territory of the exporting Party, which includes combination of any transport documents covering the entire transport route of a good from the exporting Party to the importing Party; or
- (b) other relevant supporting documents, if any, as evidence that the requirements of paragraph 2 are being complied with.

Article 3.10: De Minimis

1. A good that does not satisfy an applicable change in tariff classification requirement set out in Annex 3-A shall be considered as originating if:

- (a) for a good, other than that provided for in Chapters 50 through 63 of the Harmonized System, the value of all non-originating materials used in its production that do not undergo the required change in tariff classification does not exceed 10 percent of the FOB value of the good;
- (b) for a good provided for in Chapters 50 through 63 of the Harmonized System, the weight of all non-originating materials used in its production that do not undergo the required change in tariff classification does not exceed 10 percent of the total weight of the good;

and the good specified in subparagraphs (a) and (b) meets all other applicable criteria set forth in this Chapter for qualifying as an originating good.

2. The value of non-originating materials referred to in paragraph 1 shall, however, be included in the value of non-originating materials for any applicable RVC/QVC requirement for the good.

Article 3.11: Treatment of Packaging and Packing Materials

1. (a) If a good is subject to the RVC/QVC criterion, the value of the packaging and packing materials for retail sale shall be taken into account in its determination of origin, where the packaging and packing materials are considered to be forming a whole with the good.
 - (b) Where subparagraph (a) is not applicable, the packaging and packing materials for retail sale, if classified together with the packaged good, shall be disregarded in determining whether all the non-originating materials used in the production of the good fulfil criterion corresponding to a change in tariff classification of the said good.
2. Packing materials and containers for transportation of a good shall not be taken into account in determining the origin of the good.

Article 3.12: Accessories, Spare Parts and Tools

1. The Parties shall provide that a good's standard accessories, spare parts, or tools delivered with the good shall be considered originating goods if the good is an originating good and shall be disregarded in determining whether all the non-originating materials used in the production of the good satisfy the applicable change in tariff classification requirement set out in Annex 3-A, provided that:
 - (a) the accessories, spare parts, or tools are classified with and not invoiced separately from the good; and
 - (b) the quantities and value of the accessories, spare parts, or tools are customary for the good.
2. Notwithstanding paragraph 1, if a good is subject to a RVC/QVC requirement, the value of the accessories, spare parts, or tools described in paragraph 1 shall be taken into account as originating or non-originating materials as the case may be, in calculating the RVC/QVC of the good.

Article 3.13: Neutral Elements

In order to determine whether a good originates, it shall not be necessary to determine the origin of the following which might be used in its production and not incorporated into the good:

- (a) fuel and energy;
- (b) tools, dies and moulds;
- (c) spare parts and materials used in the maintenance of equipment and buildings;
- (d) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings;
- (e) gloves, glasses, footwear, clothing, safety equipment and supplies;
- (f) equipment, devices and supplies used for testing or inspecting the good; and
- (g) any other goods that are not incorporated into the good but of which use in the production of the good can reasonably be demonstrated to be a part of that production.

Article 3.14: Identical and Interchangeable Goods or Materials

1. Whether identical and interchangeable goods or materials are originating can be determined by:

- (a) physical segregation of each good or material; or
- (b) generally accepted accounting principles of inventory management practiced in the territory of the exporting Party.

2. Once a decision has been taken on the inventory management method, that method shall be used throughout the fiscal year.

Section B: Origin Procedures

Article 3.15: Proof of Origin

1. Goods originating in a Party shall, on importation into the other Party, benefit from preferential tariff treatment under this Agreement on the basis of a Proof of Origin.
2. Any of the following shall be considered as a Proof of Origin:
 - (a) a Certificate of Origin issued by an issuing body referred to in Article 3.16;
 - (b) an Origin Declaration made out by an approved exporter;
and
 - (c) an Origin Declaration by an exporter or producer.
3. Notwithstanding paragraph 1, originating goods within the meaning of this Chapter, in the cases specified in Article 3.19 may benefit from preferential tariff treatment without any of the documents referred to in paragraph 2.
4. Both Parties shall implement the Origin Declaration by exporter or producer referred to in paragraph 2(c) within 10 years after the date of entry into force of this Agreement.
5. Notwithstanding paragraph 4, a Party may elect to seek a longer extension period, up to a maximum of 10 years in which to implement the provision.
6. The Parties may implement the Proof of Origin referred to in paragraph 2(b) and 2(c) after both Parties conclude negotiations on regulations and formats through the Committee on Customs and Trade Facilitation referred to in Article 4.12 (Committee on Customs and Trade Facilitation) within two years from the date of entry into force of this Agreement, unless otherwise agreed by the Parties.
7. Paragraph 6 shall apply only after the exporting Party has notified the importing Party, that it shall implement this paragraph.
8. Each Party shall provide that a Proof of Origin remains valid for one year from the date on which it is issued or made out.

Article 3.16: Certificate of Origin¹¹

1. A Certificate of Origin shall be issued by issuing bodies of the exporting Party in accordance with its domestic laws and regulations, on application by the producer or exporter or, under his responsibility, by his authorized representative.
2. For purposes of this Agreement, a Certificate of Origin is any of:
 - (a) a certificate of origin in paper format; or
 - (b) an electronic certificate of origin.
3. A Certificate of Origin in paper format shall:
 - (a) be on A4 size paper and be in the attached Form set out in Annex 3-B-1. For multiple items declaration, the Parties may use the attached Form set out in Annex 3-B-2 as additional pages to the Certificate of Origin;
 - (b) comprise one original and two copies. The original shall be forwarded by the producer or exporter to the importer for submission to the customs authority of the importing Party. The duplicate shall be retained by the issuing body of the exporting Party. The triplicate shall be retained by the producer or exporter;
 - (c) be completed in English and may cover one or more goods under one consignment; and
 - (d) be in a printed format¹² or such other medium including electronic format.
4. An Electronic Certificate of Origin means a Certificate of Origin data that is transmitted electronically between Korea and Indonesia through Electronic Origin Data Exchange System referred to in Article 3.25.

¹¹ If all the information of a Certificate of Origin is exchanged between the customs authority of each Party in accordance with Article 3.25, the customs authority of each Party may not require the importer to submit the Certificate of Origin on importation. Nevertheless, the customs authority of each Party reserves the right to require the importer to submit the Certificate of Origin, when it deems necessary. This footnote shall be without prejudice to any other requirements under this Chapter.

¹² “a printed format” means a Certificate of Origin manually or electronically signed, stamped, and issued in the exporting Party directly from the issuing body system and printed by issuing body, producer or exporter, or his authorized representative.

5. A Certificate of Origin shall be issued prior to or at the time of shipment, or within seven calendar days¹³ after the date of shipment. In exceptional cases where a Certificate of Origin has not been issued prior to or at the time of shipment, or within seven calendar days after shipment due to involuntary errors, omissions, or other valid causes, a Certificate of Origin may be issued retroactively but within one year from the date of shipment, bearing the words “ISSUED RETROACTIVELY.”

6. The exporter applying for the issuance of a Certificate of Origin shall be prepared to submit at any time, at the request of the issuing body of the exporting Party issuing the Certificate of Origin, all appropriate documents proving the originating status of the products concerned including statements from the suppliers or producers in accordance with its domestic laws and regulations as well as the fulfillment of the other requirements of this Chapter.

7. In the event of theft, loss, or destruction of a Certificate of Origin, the producer or exporter or his authorized representatives may apply to the issuing bodies of the exporting Party for issuing a certified true copy, provided that the original copy previously issued has been verified not to be used. This copy shall bear the words “CERTIFIED TRUE COPY” in box 4 in Annex 3-B-1. This copy shall bear the date of issuance of the original Certificate of Origin in box 12 in Annex 3-B-1. The certified true copy of a Certificate of Origin shall be issued within one year from the date of issuance of the original Certificate of Origin.

8. Neither erasures nor superimpositions shall be allowed on a Certificate of Origin. Any alteration shall be made by striking out the erroneous materials and making any addition required. Such alterations shall be certified by the issuing body. Unused spaces shall be crossed out to prevent any subsequent addition. Alternatively, a new Certificate of Origin may be issued to replace the erroneous Certificate of Origin. The issuing body shall specify the date of issuance of the originally issued Certificate of Origin in the new Certificate of Origin.

¹³ For greater certainty, “seven calendar days” shall include the date of shipment itself.

Article 3.17: Issuing Body

1. Each Party shall maintain an updated register of the names and seals of its issuing bodies.
2. Each Party shall notify the other Party of the names and specimen signatures and specimen of official seals of its issuing bodies through the contact point. Any changes in the said list shall be promptly provided in the same manner.
3. Notwithstanding paragraph 2, a Party shall not be required to provide the specimen signatures of its issuing body to the other Party, provided that it has established a secured website containing key information of a Certificate of Origin issued by the exporting Party, namely reference number, HS code, description of the goods, quantity, date of issuance, and name of the exporter.
4. The issuing bodies shall, to the best of their competence and ability, carry out proper examination, in accordance with the domestic laws and regulations of the Party, upon each application for a Certificate of Origin to ensure that:
 - (a) the Certificate of Origin is duly completed and signed by the authorized signatory;
 - (b) the origin of the good is in conformity with this Chapter;
 - (c) other statements in the Certificate of Origin correspond to supporting documentary evidence submitted;
 - (d) the description, quantity, and weight of the good, number and type of packages, as specified, conform to the good to be exported; and
 - (e) the Certificates of Origin issued are numbered consecutively.

Article 3.18: Claims for Preferential Tariff Treatment

1. Each Party shall provide that an importer may at the time of importation, make a claim for preferential tariff treatment based on a Proof of Origin.
2. Each Party may require, in accordance with its domestic laws and regulations, that an importer who claims preferential tariff treatment for a good imported into its territory:

- (a) make written statement in the customs declaration that the good is an originating good;
- (b) identify the applicable tariff rate;
- (c) have in its possession at the time the declaration referred to in subparagraph (a) is made, a written or electronic Proof of Origin as described in Article 3.15;
- (d) provide a Proof of Origin to the customs authority of the importing Party; and
- (e) when the importer has reason to believe that the declaration in subparagraph (a) is based on inaccurate information, correct the importation document and pay any customs duty owing in accordance with its domestic laws and regulations.

3. Each Party shall provide that a Proof of Origin shall be valid for one year after the date it was issued.

4. Each Party, subject to its laws and regulations, shall provide that where a good would have qualified as an originating good when it was imported into the territory of that Party, the importer of the good may, within a period specified by the laws and regulations of the importing Party, after the date on which the good was imported, apply for a refund of any excess duties, deposit, or guarantee paid as a result of the good not having been accorded preferential tariff treatment, on presentation of the following to the customs authority of the importing Party:

- (a) a Proof of Origin and other evidence that the good qualifies as an originating good; and
- (b) such other documentation in relation to the importation as the customs authority may require to satisfactorily evidence the tariff preference claimed.

5. Notwithstanding paragraph 4, each Party may require, in accordance with its domestic laws and regulations, that the importer notify to the customs authority of the importing Party its intention to claim preferential tariff treatment at the time of importation.

Article 3.19: Waiver of Proof of Origin

1. Each Party shall provide that a Proof of Origin shall not be required where:
 - (a) the customs value of the importation does not exceed US\$200 FOB or the equivalent amount in the currency of the importing Party, or such higher amount as may be established by the importing Party, unless the importing Party considers the importation to be part of a series of importations carried out or planned for purposes of evading compliance with the Party's laws and regulations governing claims for preferential tariff treatment under this Agreement; or
 - (b) it is a good for which the importing Party does not require the importer to present a Proof of Origin.

2. Notwithstanding paragraph 1, the importing Party may require the importer to submit a Proof of Origin and such other documentation related to the origin of the good where there is doubt as to the veracity of the originating status of the good.

Article 3.20: Record Keeping Requirements

1. Each Party shall provide that an exporter or producer of the good covered by a Proof of Origin shall maintain, for a minimum of three years from the date the Proof of Origin was issued, all records necessary to demonstrate that the good covered by the Proof of Origin was an originating good, including records concerning:
 - (a) the purchase of, cost of, value of, and payment for, the exported good;
 - (b) the purchase of, cost of, value of, and payment for all materials, including neutral elements, used in the production of the exported good;
 - (c) the production of the good in the form in which it was exported; and
 - (d) such other documentation as required by the laws and regulations of the exporting Party.

2. Each Party shall provide that an importer claiming preferential tariff treatment for a good imported into the territory of the Party based on a Proof of Origin shall maintain, for a minimum of three years from the date of importation of the good, documentation related to importation.

3. Each Party shall provide that the issuing bodies as referred to in Article 3.17 shall maintain, for a minimum of three years from the date that a Certificate of Origin was issued, a copy of the Certificate of Origin as well as the supporting information required for certification.

4. Each Party shall provide that an exporter, producer, importer, or issuing bodies may choose to maintain the records specified in paragraphs 1 through 3 in any medium that allows for prompt retrieval, including, but not limited to, digital, electronic, optical, magnetic, or written form.

Article 3.21: Discrepancies and Formal Errors

1. The discovery of slight discrepancies between the statements made in a Proof of Origin and those made in the documents submitted to the customs authority of the importing Party for purpose of carrying out the formalities for importing the goods shall not *ipso facto* render the Proof of Origin null and void if it is duly established that such documents do correspond to the goods imported.

2. Obvious formal errors such as typing errors on a Proof of Origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

3. For multiple items declared under the same Proof of Origin, a problem encountered with one of the items listed shall not affect or delay the granting of preferential tariff treatment and customs clearance of the remaining items listed in that Proof of Origin.

Article 3.22: Non-Party Invoice

The importing Party shall not reject a Proof of Origin only for the reason that the invoice was issued in the territory of a non-Party.

Article 3.23: Verification

1. The importing Party may request the issuing body¹⁴ of the exporting Party to conduct a retroactive check at random or when the importing Party has reasonable doubt as to the authenticity of the document or as to the accuracy of the information regarding the true origin of the good in question or of certain parts thereof, subject to the following procedures:

- (a) the request of the importing Party for a retroactive check shall be accompanied with the Proof of Origin concerned and shall specify the reasons and any additional information suggesting that the particulars given on the said Proof of Origin may be inaccurate, unless the retroactive check is requested on a random basis;
- (b) the issuing body of the exporting Party receiving a request for retroactive check shall respond to the request promptly and reply the result within two months after receipt of the request;
- (c) If the customs authority of the importing Party considers necessary, it may require additional information relating to the origin of the good. If additional information is requested by the customs authority of the importing Party, the issuing body of the exporting Party shall provide the information requested in a period not exceeding four months after the date of receipt of the request; and
- (d) the customs authority of the importing Party may suspend provision of preferential tariff treatment while awaiting the result of verification. However, it may release the good to the importer subject to any administrative measures deemed necessary, provided that they are not held to be subject to import prohibition or restriction and there is no suspicion of fraud.

2. The customs authority of the importing Party may request an importer for information or documents relating to the origin of an imported good in accordance with its domestic laws and regulations before requesting the retroactive check pursuant to paragraph 1.

¹⁴ In the case of Korea, the issuing body of origin verification refers to the customs authority in accordance with its customs laws and regulations. In the case of Indonesia, issuing body of origin verification refers to its laws and regulations.

3. If the importing Party is not satisfied with the outcome of the retroactive check, it may, under exceptional circumstances, request verification visits to the exporting Party.

4. Prior to conducting a verification visit pursuant to paragraph 3:

- (a) an importing Party shall deliver a written notification of its intention to conduct the verification visit simultaneously to:
 - (i) the producer or exporter whose premises are to be visited;
 - (ii) the issuing body of the Party in the territory of which the verification visit is to occur;
 - (iii) the customs authority of the Party in the territory of which the verification visit is to occur; and
 - (iv) the importer of the good subject to the verification visit;
- (b) the written notification mentioned in subparagraph (a) shall be as comprehensive as possible and shall include, among others:
 - (i) the name of the customs authority issuing the notification;
 - (ii) the name of the producer or exporter whose premises are to be visited;
 - (iii) the proposed date of the verification visit;
 - (iv) the coverage of the proposed verification visit, including reference to the good subject to the verification; and
 - (v) the names and designation of the officials performing the verification visit;
- (c) an importing Party shall obtain the written consent of the producer or exporter whose premises are to be visited;
- (d) when a written consent from the producer or exporter is not obtained within 30 days from the date of receipt of the notification pursuant to subparagraph (a), the notifying Party

may deny preferential tariff treatment to the good referred to in the said Proof of Origin that would have been subject to the verification visit; and

- (e) the issuing body receiving the notification may postpone the proposed verification visit and notify the importing Party of such intention within 15 days from the date of receipt of the notification. Notwithstanding any postponement, any verification visit shall be carried out within 60 days from the date of such receipt, or a longer period as the Parties may agree.

5. The Party conducting the verification visit shall provide the producer or exporter, whose good is subject to such verification, and the relevant issuing body with a written determination of whether or not the good subject to such verification qualifies as an originating good.

6. Any suspended preferential tariff treatment shall be reinstated upon the written determination referred to in paragraph 5 that the good qualifies as an originating good.

7. The producer or exporter shall be allowed 30 days from the date of receipt of the written determination to provide in writing comments or additional information regarding the eligibility of the good for preferential tariff treatment. If the good is still found to be non-originating, the final written determination shall be communicated to the relevant issuing body within 30 days from the date of receipt of the comments or the additional information from the producer or exporter.

8. The verification visit process, including the actual visit and the determination under paragraph 5 whether the good subject to such verification is originating or not, shall be carried out and its results shall be communicated to the relevant issuing body within a maximum period of six months from the first day the initial verification visit was conducted. While the process of verification is being undertaken, subparagraph 1(d) shall be applied.

Article 3.24: Denial of Preferential Tariff Treatment

1. The customs authority of the importing Party may deny preferential tariff treatment without verification of a Proof of Origin, in accordance with its laws and regulations, as the Proof of Origin can be considered as inapplicable when:

- (a) the requirements on direct consignment of Article 3.9 have not been fulfilled;

- (b) the Proof of Origin is produced subsequently for goods that were initially imported fraudulently;
- (c) the Proof of Origin has been issued in a non-Party to this Agreement;
- (d) the importer fails to submit the Proof of Origin to the customs authorities of the importing Party within the period specified in the domestic laws and regulations of the importing Party; or
- (e) such other matters arise as the Parties may agree.

2. During verification procedures, the customs authority of the importing Party may deny preferential tariff treatment when the issuing body of the exporting Party, exporter, or producer fail to comply with Article 3.20 or Article 3.23.

Article 3.25: Electronic Origin Data Exchange System

The Parties may develop an electronic system for origin information exchange to ensure the effective and efficient implementation of this Chapter.

Article 3.26: Transitional Provisions for Goods in Transit and Storage

A Party shall grant preferential tariff treatment to an originating good that, on the date of entry into force of this Agreement for that Party:

- (a) was being transported to that Party in accordance with the Direct Consignment provisions in Article 3.9; or
- (b) had not been imported into the territory of that Party;

if a valid claim under Article 3.18 for preferential tariff treatment is made within 180 days from the date of entry into force of this Agreement for that Party.

**ANNEX 3-B-1
Certificate of Origin**

ORIGINAL (Duplicate/Triplicate)

1. Exporter's name and address:		Reference No.: KOREA-INDONESIA COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM KI-CEPA Issued in _____ (Country) (see Overleaf Notes)			
2. Importer's name and address:					
3. Means of transport and route (as far as known): Departure Date: Vessel/Flight/Train/Vehicle No.: Port of loading: Port of discharge:		4. Remarks:			
5. Item number	6. Description of goods (including number and type of package, and quantity)	7. HS code (Six digit code)	8. Origin criterion	9. Gross weight or other measurements and FOB Value (only when RVC/QVC criterion is used)	10. Number and date of invoice
11. Declaration by the exporter: The undersigned hereby declares that the above details and statement are correct, that all the goods were produced in (Country) and that they comply with the origin requirements specified in the Korea-Indonesia Comprehensive Economic Partnership Agreement for the goods exported to (Importing Country) (Place and date, signature of authorized signatory)			12. Certification: It is hereby certified that the information herein is correct and that the goods described comply with the origin requirements specified in the Korea-Indonesia Comprehensive Economic Partnership Agreement. (Place and date, signature and stamp of issuing body)		

OVERLEAF NOTES

1. Parties which accept this form for purpose of preferential tariff treatment under the KOREA- INDONESIA Comprehensive Economic Partnership Agreement (KICEPA) are REPUBLIC OF KOREA and REPUBLIC OF INDONESIA.
2. CONDITIONS: To enjoy preferential tariff treatment under the KICEPA, goods sent to a Party listed above:
 - (i) must fall within a description of goods eligible for concessions in the importing Party;
 - (ii) must comply with the consignment conditions in accordance with Article 3.9 (Direct Consignment); and
 - (iii) must comply with the origin criteria in Chapter 3 (Rules of Origin and Origin Procedures).

Reference No.: Serial number of Certificate of Origin assigned by the issuing body.

Box 1: State the full legal name and address (including country) of the exporter.

Box 2: State the full legal name and address (including country) of the importer.

Box 3: Complete the means of transport and route and specify the departure date, transport vehicle No., port of loading, and port of discharge.

Box 4: Any additional information may be included. However, in the following conditions, the remarks shall be as follows:

Condition	Remark
A good is invoiced by a non-Party operator	“NON-PARTY INVOICING” and indicating the full legal name and country of the operator that issues the invoice
A Certificate of Origin is issued retroactively	“ISSUED RETROACTIVELY”
A Certified true copy is issued	“CERTIFIED TRUE COPY”

Box 5: State the serial number.

Box 6: Provide a full description of each good. The description should be sufficiently detailed to enable the goods to be identified by the Customs Officers examining them and relate them to the invoice description. The number and kind of packages, and quantity shall be specified. If the goods are not packed, state “IN BULK”.

Box 7: For each good described in Box 6, identify HS Code to six digits. The HS Code shall be that of the importing Party.

Box 8: The exporter must indicate in Box 8 the origin criteria on the basis of which he claims that the goods qualify for preferential tariff treatment, in the manner shown in the following table:

Origin Criterion	Insert in box 8
(a) Goods wholly obtained or produced entirely in the territory of the exporting Party	“WO”
(b) Goods produced entirely in the territory of the exporting party exclusively from materials whose origin conforms to Chapter 3 (Rules of Origin and Origin Procedures).	“PE”

Origin Criterion	Insert in box 8
(c) Goods satisfying the Product Specific Rules - Change in Tariff Classification - Regional / Qualifying Value Content - Change in Tariff Classification or Regional / Qualifying Value Content - Others	“CC” / “CTH” / “CTSH” “RVC/QVC40” “CC” / “CTH” / “CTSH” or “RVC/QVC40” “CC ex” / “CTH ex” / “CTSH ex” or “RVC/QVC40”
(d) Goods satisfying Article 3.5 (Treatment for Certain Goods)	“Article 3.5”

When the good is subject to a Regional/Qualifying Value Content (RVC/QVC) requirement, indicate “BD” if the RVC/QVC is calculated according to the build down method or “BU” if the RVC/QVC is calculated according to the build-up method.

Box 9: Gross weight in Kilos should be shown here. Other units of measurement e.g. volume which would indicate exact quantities may be used when customary.

Box 10: Invoice number and date of invoice should be shown here. In case where a good is invoiced by a non-Party operator and the number and date of the commercial invoice is unknown, the number and date of the original commercial invoice, issued in the exporting Party, shall be indicated in this box.

Box 11: This box shall be completed, signed and, dated by the exporter or producer.

Box 12: This box shall be completed, signed, dated, and stamped by the authorized person of the competent authority or issuing body.

Note: The instructions hereon are only used for purposes of reference to complete the Certificate of Origin, and thus do not have to be reproduced or printed in the overleaf page.

**ANNEX 3-B-2
Certificate of Origin (Additional Pages)**

ORIGINAL (Duplicate/Triplicate)

Reference No.

5. Item number	6. Description of goods (including number and type of package, and quantity)	7. HS code (Six digit code)	8. Origin criterion	9. Gross weight or other measurements and FOB Value (only when RVC/QVC criterion is used)	10. Number and date of invoice
<p>11. Declaration by the exporter:</p> <p>The undersigned hereby declares that the above details and statement are correct, that all the goods were produced in</p> <p align="center">..... (Country)</p> <p>and that they comply with the origin requirements specified in the KICEPA for the goods exported to</p> <p align="center">..... (Importing Country)</p> <p align="center">..... Place and date, signature of authorized signatory</p>			<p>12. Certification:</p> <p>It is hereby certified that the information herein is correct and that the goods described comply with the origin requirements specified in the Korea-Indonesia CEPA.</p> <p align="center">..... Place and date, signature and stamp of issuing body</p>		