

Appendix 2-A-1

KOREA

1. This Appendix applies to TRQs provided for in this Agreement and sets out modifications to HSK which reflect the TRQs that Korea shall apply to certain originating goods under this Agreement. In particular, originating goods of the United Kingdom included under this Appendix shall be subject to the rates of duty set out in this Appendix in lieu of the rates of duty specified in Chapters 1 through 97 of the HSK. Notwithstanding any other provision of the HSK, originating goods of the United Kingdom in the quantities described in this Appendix shall be imported into the territory of Korea as provided for in this Appendix. Furthermore, any quantity of originating goods imported from the United Kingdom under a TRQ provided for in this Appendix shall not be counted toward the in-quota amount of any TRQs provided for such goods elsewhere in the HSK.

2. Notwithstanding Article 2.7.7 and paragraphs 5 and 6 of this Appendix, if this Agreement enters into force after 1 July and before 30 June of the next calendar year, the TRQ quantities which shall be applicable for the remainder of that year shall be reduced pro rata to the remaining number of days of that year. Notwithstanding Article 2.7.7 and paragraphs 5 and 6 of this Appendix, if this Agreement enters into force after 1 July and before 30 June of the next calendar year, licences relating to that year shall be administered starting on the first business day after the date of entry into force of this Agreement.

Licensing System for TRQs Provided for in this Agreement

3. Korea may use a licensing system to administer and implement the TRQs provided for in paragraphs 5 and 6, provided that the conditions set forth in subparagraph (a) are met. The Parties shall agree in the Committee on Trade in Goods on the policies and procedures for the licensing system, including eligibility to receive TRQ quantities, and any changes or amendments to them:

- (a) (i) If less than 95 percent of the in-quota quantity of a TRQ is utilised in two of three consecutive years, on the written request of the United Kingdom, the Parties shall consult in the Committee on Trade in Goods regarding the operation of the allocation system with a view to identifying and addressing the causes for the incomplete utilisation of the in-quota quantity. In the consultations, the Parties shall consider prevailing market conditions;
- (ii) The Parties shall hold consultations within 30 days of the date of the request;
- (iii) Korea shall implement any decision in the Committee on Trade in Goods that the Parties reach in the consultations on the means to

facilitate full utilisation of the TRQ within 60 days of the decision, or by such other date as the Parties may agree on; and

(iv) Korea shall permit originating goods of the United Kingdom to enter under the relevant TRQ on a first-come, first-served basis if either of the following occurs:

(A) Korea does not implement a decision in accordance with subparagraph (a)(iii); or

(B) the consultations referred to under subparagraph (a)(i) do not result in a decision within 90 days of the date of the request for consultations or by such other date as the Parties may agree on.

(b) On the written request of either Party, the Parties shall consult on any matter related to the application or operation of this paragraph. The consultations shall begin within 15 business days of the date the [other] Party receives the request for consultations, or on such other date as the Parties may agree.

State Trading Enterprises

4. Korea may require an originating good of the United Kingdom to be imported, purchased or distributed in its territory by a state trading enterprise only if, and on such terms and conditions as, the Parties may agree.

Malt and malting barley

5. (a) The aggregate quantity of originating goods of the United Kingdom described in subparagraph (c) that shall be permitted to enter free of customs duty in a particular year is specified below:

Year	Quantity (Metric Tons)
9	1,521
10	1,567
11	1,614
12	1,662
13	1,712
14	1,764
15	1,816
16	Unlimited

The Korea Agro-Fisheries and Food Trade Corporation shall administer the licenses for these TRQs starting on the first business day of the first month of each year on a firstcome, first-served basis, in response to written applications that it receives. Between the first business day and the last day of the first month, if the aggregate TRQ quantity requested by the applicants exceeds the total TRQ quantity for that year, the Corporation shall allocate the TRQ quantities among applicants on a *pro rata* basis.

If the aggregate TRQ quantity requested during the first month is less than the aggregate TRQ quantity for the year, the Corporation shall continue to allocate the TRQ on a firstcome, first-served basis through the end of the year. Each license the Corporation issues to an applicant shall be valid for 90 days from the date of issuance, unused licenses shall be surrendered to the Corporation when the 90 day period expires, and the Corporation shall reallocate unused quantities to applicants on a first-come, first-served basis within 45 days of the date the licenses are surrendered.

- (b) Customs duties on goods entered in excess of the quantities listed in subparagraph (a) shall be removed in accordance with staging category "15" as described in paragraph 1(j) of Annex 2-A.
- (c) Subparagraphs (a) and (b) apply to the following HSK provisions: 1003.00.1000 and 1107.10.0000.

Supplementary feeds, animal

- 6. (a) The aggregate quantity of originating goods of the United Kingdom described in subparagraph (c) that shall be permitted to enter free of customs duty in a particular year is specified below:

Year	Quantity (Metric Tons)
9	609
10	627
11	646
12	665
13	Unlimited

The Korea Feed Ingredients Association and the Korea Feed Milk Replacer Association shall administer these TRQs and allocate the in-quota quantity through licensing systems. These TRQs shall be allocated based on the amount of originating goods described in subparagraph (c) imported by applicants during the 24 month period immediately preceding the year for which the license is issued and the quantity of

originating goods requested by applicants for the year.

- (b) Customs duties on goods entered in excess of the quantities listed in subparagraph (a) shall be removed in accordance with staging category "12" as described in paragraph 1(h) of Annex 2-A.
- (c) Subparagraphs (a) and (b) apply to the following HSK provisions: 2309.90.2010, 2309.90.2020, 2309.90.2099 and 2309.90.9000.