



THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON

September 24, 2018

The Honorable Hyun Chong Kim
Trade Minister
Sejong, Republic of Korea

Dear Minister Kim:

I have the honor to confirm the following understanding reached between the Government of the United States of America (United States) and the Government of the Republic of Korea (Korea) during the modification and amendment negotiations held under the auspices of the Joint Committee pursuant to Article 22.2 (Joint Committee) of the *Free Trade Agreement between the United States of America and the Republic of Korea* (Agreement).

The Government of the United States and the Government of Korea are committed to the Customs Principles under the Free Trade Agreement between the United States of America and the Republic of Korea included in the attachment to this letter.

Pursuant to Article 22.2.3 of the Agreement, the Joint Committee will establish the Rules of Origin Verification Working Group under the Committee on Trade in Goods.

The Working Group will be co-chaired, in the case of the United States, by a representative of the Office of the United States Trade Representative and, in the case of Korea, by a representative of the Ministry of Trade, Industry and Energy and a representative of the Ministry of Economy and Finance.

The Working Group will be established as of the date of receipt of your letter in response. The Working Group's functions will include:


- 1) seeking to resolve concerns that arise from matters related to verification of claims of origin;
- 2) developing further guidelines to address systemic concerns with verification practices and to prevent such concerns from arising in the future;
- 3) monitoring verifications that are taking excessive lengths of time or that do not seem to be reaching conclusion; and
- 4) presenting findings, reports, and recommendations to the Committee on Trade in Goods as appropriate.

The Working Group will meet at the request of the representative of either Party to the Committee on Trade in Goods to resolve concerns mentioned in the preceding paragraph. The Working Group may be terminated by decision of the Joint Committee.

As with other committees and working groups established under the Agreement, the Working Group may agree to meet by digital video conference and will be supervised by the Joint Committee and otherwise operate under applicable provisions set out in Article 22.2 of the Agreement.

I look forward to your response to this letter as soon as possible confirming this understanding.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Lighthizer". The signature is fluid and cursive, with the first name "Robert" being the most prominent.

Ambassador Robert E. Lighthizer
United States Trade Representative

Attachment

Attachment

Customs Principles under the Free Trade Agreement between the United States of America and the Republic of Korea

The United States and Korea confirm the following principles:

- Reaffirm the commitment to the “knowledge-based” self-certification system prescribed under the Agreement, which relies on importer knowledge or a certification of origin provided by an importer, exporter, or producer to make a claim of preferential tariff treatment.
- Allow a certification of origin to be completed by an exporter or producer regardless of its location or address.
- Allow an importer, exporter, or producer to correct minor errors or discrepancies in the certification, questionnaire, or other documents, with no penalty for making such corrections. In the case of such minor errors or discrepancies, allow an importer, exporter, or producer a period of not less than five working days to provide to the customs authority a copy of the corrected certification, questionnaire, or other document.
- Ensure that verifications of origin¹ are conducted by the importing Party through information requests to the importer, exporter, or producer.
- Reaffirm that verifications of origin will be conducted only if the customs authority has doubts as to a good’s originating status, and based on risk management principles that facilitate the movement of low-risk goods.
- Provide written advance rulings, upon written request by the importer, exporter, or producer, to questions of whether a good is originating, rather than answering such questions through verbal advice.
- Increase efforts to ensure that information requests conducted through a verification of origin will clearly identify the specific goods being verified, will be limited in scope to information necessary to determine whether the goods are originating, and will provide clear guidance to importers, exporters, or producers with regard to specific information that must be provided in order to prove origin.
- Endeavor to conclude verifications of origin as expeditiously as possible and no later than 90 days after receiving the information necessary to make a determination, and no later than twelve months after the initiation of the verification, allowing extensions of the period in exceptional cases.

¹ For greater certainty, these principles do not apply to audits of an exporter or producer.



산업통상자원부
MINISTRY OF TRADE, INDUSTRY AND ENERGY
REPUBLIC OF KOREA

September 24, 2018

The Honorable Robert E. Lighthizer
United States Trade Representative
Washington, D.C.

Dear Ambassador Lighthizer:

I am pleased to acknowledge receipt of your letter of this date, which reads as follows:

I have the honor to confirm the following understanding reached between the Government of the United States of America (United States) and the Government of the Republic of Korea (Korea) during the modification and amendment negotiations held under the auspices of the Joint Committee pursuant to Article 22.2 (Joint Committee) of the *Free Trade Agreement between the United States of America and the Republic of Korea* (Agreement).

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I look forward to your response to this letter as soon as possible confirming this understanding.

I have the honor to confirm my government shares the understanding expressed in your letter.

Sincerely,

Hyun Chong Kim

Attachment



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