

**GUIDANCE FOR
THE KOREA ADVANCE MANIFEST SYSTEM
TO SECURE AND FACILITATE GLOBAL TRADE**

SEP. 2011



KOREA CUSTOMS SERVICE

Contents

1. INTRODUCTION	3
1-1 Background	3
1-2 Reasons for Introducing AMS	3
1-3 Legal Basis	4
2. BASICS	5
2-1 General Principles	5
2-2 Scope	5
2-3 Definition of Terms	5
2-4 Korea Manifest System	6
3. DETAILED GUIDELINES	7
3-1 Person Obligated to Submit Manifests	7
3-2 Timeline to Submit Manifests	7
3-3 Data Elements and Preparation Methods	8
3-4 Data Verification	9
3-5 Do-Not-Load Actions	9
3-6 Cancellation of Declaration	9
3-7 Application for Amendments	10
3-8 Declaration of Unloading	10
3-9 Onsite Inspection of Export Goods	11
4. ENFORCEMENT MEASURES	11
4-1 Date of Enforcement	11
4-2 Administrative Sanctions	11

1. INTRODUCTION

1-1 Background

Considered as a key document for customs administration, manifest refers to a full list of cargo carried in a sea or air transport-unit which gives particulars such as the description of import/export cargos and supply chains, enabling Customs to conduct risk management, bonded goods management, and loading performance management.

In response to the 9/11 attacks in 2001, the Advance Manifest System has been put forward as an answer to enhance logistics security, and since then it has become a global norm. In this context, the WCO adopted “SAFE Framework of Standards to Secure and Facilitate Global Trade”, encouraging worldwide implementation of advance manifest reporting.

In consideration that major trading partners such as the U.S., EU and China already adopted the Advance Manifest System, the Korea Customs Service (hereinafter referred to as “the KCS”), in cooperation with stakeholders in the supply chain, introduced the Advance Manifest System to abide by WCO guidelines as well as to fulfill its own responsibilities as a governmental agency of duties collection and border protection.

1-2 Reasons for Introducing the Advance Manifest System

(1) To ensure that export goods meet foreign Advance Manifest System requirements by redefining local trade contracts, transportations and customs clearance in compliance with international standards

(2) To curb illegal exports and commercial fraud ranging from fake goods to false labeling of country of origin of goods, by obtaining loading information of export cargo prior to sea or air shipping

(3) To promote seamless distribution of cargo and reduction of logistics costs by obtaining loading information of import and transit cargo prior to arrival, which in turn will improve monitoring high-risk consignments while completing import clearance procedures for normal consignments in advance, leading to their immediate release after unloading instead of being forwarded to bonded warehouses

1-3 Legal Basis

Legal basis under the provisions of the Customs Act related to the Advance Manifest System (hereinafter referred to as “the AMS”) is stated below:

- (Article 135, Clause 2) If it is required for going through rapid entry and customs clearance procedure, and conducting efficient supervision and control, the collector of customs (hereinafter referred to as “customs collector”) may have the shipping or aviation company to which the ship or aircraft entering into the port submit the list of passengers, manifest, etc. prior to the entry, under the conditions as prescribed by the Commissioner of the Korea Customs Service.
- (Article 136, Clause 2) When a foreign trade vessel or aircraft desires to depart from an open port, the captain thereof shall, prior to departure, obtain a departure permit from customs collector. The captain of a vessel or aircraft shall submit a list of goods boarded at the open port.
- (Article 140, Clause 2) When goods are to be loaded to or unloaded from any foreign trade vessels or aircraft, a declaration thereon shall be made to customs collector and confirmation thereon shall be obtained on the spot from customs officers.

Essential particulars related to the AMS, including timeline of submission, specification templates, preparation method and application for corrections should comply with the “Notification of Loading and Unloading Procedure of Entry and Departure for Bonded Cargo (2011-7, March 18, 2011)” by the KCS.

2. BASICS

2-1 General Principles

Ocean and air carriers should comply with timeline of manifest submission, and should complete and submit manifest which should exactly correspond to the list of cargo on board.

Manifest should be submitted in compliance with required items, specification and

instructions stipulated in the “Message Implementation Guide” issued by the KCS, and also, ocean and air carriers, in cooperation with forwarders, should be careful not to have any discrepancies in the contents of submitted manifest.

In case cargo on board is found to be not the same as cargo requested for transportation or is identified as prohibited item for export or import according to the Customs Law, carriers should report promptly the irregularity to customs collector

2-2 Scope

This guideline applies to export, import, transit, returning and temporarily unloaded cargo.

In spite of the regulation mentioned above, this guideline does not apply to freight remaining onboard and leaving for foreign country as its final destination without being unloaded from vessel or aircraft in the territory of Korea. However, exception may be made by Customs’ own determination in case it considers surveillance or inspection is necessary for aforementioned shipments.

2-3 Definition of Terms

The definition of terms used in this guideline provides that:

“Manifest” is a list of goods comprising cargo carried in a sea or air transport-unit with the Master B/L information remarked by ocean or air carriers, written and compiled in accordance with the “Message Implementation Guide” issued by the KCS. It is called “Consolidated Cargo Manifest” if forwarders remark the House B/L list.

“Person obliged to submit manifests” includes maritime shipping lines operating international trade ships (including freight forwarders, hereinafter referred to as “ocean carriers”) and airlines (in case of freight forwarder and joint operating airline, actual operating airline; and hereinafter referred to as “air carriers”).

“Person in charge of preparation of manifests” comes under one of the following:

- ① Ocean or air carriers collecting and transporting export and import cargo;
- ② In the case of joint operation, ocean or air carriers chartering vessels and aircraft (including freight forwarders); or

- ③ In the case of consolidated cargos, forwarders (including its agents)

“Master B/L” is the bill of lading issued by ocean carriers or an air waybill issued by air carriers.

“House B/L” is the bill of lading or an air waybill that forwarders issue directly to shippers.

“Transit goods” are goods stopping by Korea to be transported to other countries, thus not subject to export/import declaration or return declaration.

“Electronic document” is electronic data designed for transmission between computers, written and compiled in accordance with the “Message Implementation Guide” issued by the KSC

2-4 Korea Manifest System

The KCS runs the Korea Manifest System (hereinafter referred to as “the KMS”) for better processing of acceptance, handling and risk management of manifests submitted by ocean carriers or air carriers.

After compiling and completing manifest, ocean and air carriers should submit it to the KMS through message broker who is designated by the KCS to perform data validation between the KMS and submitter.

3. DETAILED GUIDELINES

3-1 Person Obligated to Submit Manifests

Ocean and air carriers are obliged to submit manifests for export and import cargo, and are legally responsible for any breach of submission deadlines as well as the content, accuracy and completeness of submitted data. Local freight forwarders take responsibility of compiling and correcting export House B/L data as an entity in charge of compiling consolidated cargo manifests.

With regard to consolidated cargo, carriers should collect and compile House B/L data from freight forwarders (, including those who handle consolidated cargo in the country of exportation) and submit it after final verification to the KCS in accordance with the “Message Implementation Guide”.

Carriers can entrust the task of manifest compiling and submission to message broker as authorized by the KSC according to the Article 327-3 of the Customs Law.

3-2 Timeline to Submit Manifests

Based on the WCO SAFE Framework and in consideration of special circumstance of short-flight or short-sea-shipping and capability of concerned logistics entities, due date of submission defined by the KSC is as following:

Type		Deadline
SEA	Import	<p>(Principle) At least 24 hours before commencement of loading at the port of loading.</p> <p>(Short sea shipping) Before departure at the port of loading</p> <p>(Bulk) At least 4 hours before arrival at the port of entry</p>
	Export	<p>(Principle) At least 24 hours before commencement of loading</p> <p>(Short sea shipping) Prior to loading, 30 minutes before departure</p> <p>(Bulk, Transit cargo) Before departure</p>
AIR	Import	<p>(Principle) At least 4 hours before arrival</p> <p>(Short haul) Before departure at the airport of loading (more specifically, at time of “wheels up” of aircraft)</p> <p>(Express Cargo) At least 1 hour before arrival</p>
	Export	Prior to loading, 30 minutes before departure

* “Wheels up” is the moment when an airplane’s wheels reach its body after takeoff

The scope of short-haul-flight areas is limited to China, Taiwan, Hong Kong, Japan, and far-Eastern Russia.

In case of export sea cargo, the Philippines, Vietnam, Cambodia, Thailand, Indonesia, Malaysia, and Singapore are also regarded as short-sea-shipping areas.

3-3 Data Elements and Preparation Methods

3-3-1 Guide on Electronic Manifest

Data elements and preparation methods for manifests are defined in the “Message Implementation Guide” issued by the KCS, and the types of manifests are as below.

- ① Export Manifest of Air Cargo (Appendix Form 1)
- ② Import Manifest of Air Cargo (Appendix Form 2)
- ③ Export Manifest of Sea Cargo (Appendix Form 3)
- ④ Import Manifest of Sea Cargo (Appendix Form 4)

-Ocean and air carriers should compile and submit manifests with particulars like item name, definitions, conditions and specifications stipulated in the “Message Implementation Guide.”

3-3-2 Instructions on Goods Description

Carriers and freight forwarders should pay special attention to goods description during manifest preparation in order that common mistakes will not be made.

The column for “Good Description” should not be filled in with any meaningless numbers, marks or general terms such as:

- ① Meaningless numbers and marks: 0, 1, 11, A, AB, %, \$, #, @, etc.
- ② General terms: PARTS, SAMPLE, ACCESSORY, etc.

Goods description should be described in specific and precise manner as used in trade deals in order that the KCS can identify the nature of goods. “Examples of Goods Descriptions Accepted or not Accepted” in Appendix Table 1 can be referred for this purpose.

3-4 Data Verification

Customs collector will verify the content, accuracy and completeness of declared manifest, and submitted data can be accepted by the KMS only when declared contents are validated to be free of error.

When an error is found in declared manifest in the process of verification, customs collectors should inform concerned carriers of such errors by electronic means. In such case, the carriers should submit amended version of manifest.

In order to efficiently perform data verification on declared manifests, the KCS may designate a data verification operator among message brokers and, in this case, should provide the operator with such information as enforcement regulations, items to verify, verifying methods and procedures.

Data verification operator must provide enough information on enforcement regulations and the operation of verification system to users such as ocean and air carriers and forwarders.

3-5 Do-Not-Load Actions

Do-Not-Load (hereinafter referred to as “DNL”) notification may be issued by Customs against such cargo that is considered risky for security purpose by the KCS.

DNL notification applies only to deep-sea containerized shipments for which manifest should be submitted at least 24 hours prior to loading.

3-6 Cancellation of Declaration

In principle, ocean and air carriers cannot withdraw their manifests submitted to the KCS.

Customs collector may permit cancellation of declaration after reviewing supporting documents submitted by carriers, when the reason for cancellation falls into one of the following categories:

- ① Non-arrival of vessels or aircraft due to bad weather or accidents, etc.;
- ② Change in operating schedule of vessels or aircrafts;
- ③ Transmission error of Manifest Reference Numbers (MRN); or
- ④ If customs collector determines that such a provision is necessary.

If ocean and air carriers wish to withdraw their manifests, they should submit an application for cancellation to customs collector, in accordance with the “Message Implementation Guide (Appendix Form 5)” issued by the KCS.

3-7 Application for Amendments

In case ocean and air carriers and freight forwarders intend to amend parts of their manifests after submission, they should submit an application for amendment to customs collector, in accordance with the “Message Implementation Guide (Appendix Form 6 and 7)” issued by the KCS.

Customs collectors may permit the amendment of submitted manifest, and check relevant cargo on the spot if deemed necessary, after reviewing supporting documents submitted by carriers, when the reason for amendment or the part to be corrected falls into one of the following categories:

- ① Addition of B/L to correct omission on manifests;
- ② Consignee(Shipper);
- ③ Forwarder;
- ④ Freight classification and attributes of cargo; or
- ⑤ If customs collector determines that such a provision is necessary for risk management.

In case that cargo is classified high-risk one by the KMS, submitted amendment request should be accepted only after inspection is made on it and the result is filed by Customs.

3-8 Declaration of Unloading

In case ocean and air carriers wish to unload cargo, a declaration of unloading should be submitted to customs collector, in accordance with the “Message Implementation Guide (Appendix Form 8 and 9)” issued by the KCS.

Ocean and air carriers, or message broker designated by the KCS, should provide information on import cargo manifest by ship or flight number, so that freight forwarders can apply for unloading or bonded-warehousing plan, etc. for import cargo.

If unloaded cargo does not match with declared manifest, ocean and air carriers should submit the report of unloading result to customs collector, in accordance with the “Message Implementation Guide (Appendix Form 10 and 11)” issued by the KCS.

3-9 On-site Inspection of Export Goods

In line with the implementation of the AMS, and as part of strengthened risk management efforts, customs collector shall do special inspection on selected export goods at the place of sea-/airports of loading to verify actual loading status and declared information of those cargo.

Ocean and air carriers and freight forwarders should submit export goods permission number (EPN), which is one of particulars of export cargo manifest, to the KMS before loading (except for cargo of which manifests should be submitted 24 hours before loading).

If a cargo is selected by the KCS as an object of special export inspection, ocean and air carriers should request for inspection to Customs when it is checked in container terminals at sea ports or cargo terminals at airports.

When ocean and air carriers load cargo and leave sea-/airport without requesting for inspection to Customs even when the loaded cargo are selected for inspection, they shall be penalized for violating Article 265 of the Customs Act, *Inspection of Goods or Transport, etc.*

Detailed operating procedures for inspecting export goods at the port of loading should be followed in accordance with the "Detailed Regulations about Inspecting Goods at the Port of Loading" issued by the KCS.

4. ENFORCEMENT MEASURES

4-1 Date of Enforcement

The AMS will be enforced from December 1, 2011 for maritime export cargo and air export/import cargo.

Regarding maritime import cargo and transit cargo (only for departure), the AMS will be enforced from a specific date designated by the Commissioner of the KCS.

4-2 ADMINISTRATIVE SANCTIONS

When ocean or air carriers fail to submit manifest declarations before the due date of submission, they shall be penalized for violating Article 276 of the Customs Act, *False Declaration*.

For smooth transition to the AMS and improvement in trade practices among ocean and air carriers, freight forwarders, exporters and importers, administrative sanctions (fines and penalties) will be suspended until June 30. 2012.

Appendix Table 1. Examples of Goods Descriptions Accepted or not Accepted

Not Acceptable	Acceptable
Apparel Wearing Apparel Ladies' Apparel Men's Apparel	Clothing Shoes Footwear Jewelry (may include watches)
Appliances	Kitchen Appliances Industrial Appliances Heat Pump
Auto parts Parts	New Auto parts Used Auto parts
Caps	Baseball Caps Blasting Caps Bottle Caps Hub Caps
Chemicals, hazardous Chemicals, non-hazardous	Actual Chemical Name (not brand name)
Electronic Goods Electronics	Computers Consumer Electronics, Telephones Electronic Toys(can include Gameboys, Game Cubes, Dancing Elmo Doll etc.) Personal/Household Electronics (i.e. PDA's VCR's, TV's)
Equipment	industrial Equipment, Oil Well Equipment Automotive Equipment, Poultry Equipment etc.
Flooring	Wood Flooring, Plastic Flooring, Carpet, Ceramic Tile, Marble Flooring
Foodstuffs	Oranges Fish Packaged Rice, Packaged Grain, Bulk Grain
Iron	Iron Pipes, Steel Pipes
Steel	Iron Building Material, Steel Building Material
Leather Articles	Saddles Leather Handbags Leather Jackets, Shoes
Machinery	Metal Working Machinery Cigarette Making Machinery

Machines	Sewing Machines Printing Machines
Pipes	Plastic Pipes PVC Pipes Steel Pipes Copper Pipes
Plastic Goods	Plastic Kitchenware, Plastic Houseware, Industrial Plastics Toys, New/Used Auto Parts
Polyurethane	Polyurethane Threads Polyurethane Medical Gloves
	Personal Effects Household Goods.
Rubber Articles	Rubber Hoses Tires Toys Rubber Conveyor Belts
Rods	Welding Rods Rebar Aluminum Rods Reactor Rods
Scrap	Plastic Scrap Aluminum Scrap Iron Scrap
STC (Said to Contain) General Cargo FAK (Freight of All Kinds) "No Description"	
Tiles	Ceramic Tiles Marble Tiles
Tools	Hand Tools Power Tools Industrial Tools