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**Title: KOREAN FREE TRADE ACT SYSTEM REQUIREMENTS**

**Date: 2/28/2012 9:24:54 AM**

**To: Automated Broker Interface**

THIS MESSAGE IS BEING SENT TO ADVISE THE TRADE ON THE SYSTEM REQUIREMENTS NEEDED TO FILE A KOREA FREE TRADE ACT CLAIM IN ACS (EI).

TO CLAIM KOREA FREE TRADE BENEFITS, THE FOLLOWING ABI SYSTEM REQUIREMENTS MUST BE MET:

1)THE COUNTRY OF ORIGIN MUST BE 'KR'. THE COUNTRY OF ORIGIN FIELD IS REPORTED ON THE ENTRY SUMMARY RECORD IDENTIFIER 40 (INPUT), POSITIONS 6 - 7.

2)THE COUNTRY OF EXPORT MUST BE 'KR'. THE COUNTRY OF EXPORT FIELD IS INDICATED IN THE ENTRY SUMMARY RECORD IDENTIFIER 50 RECORD (POSITIONS 69 - 70).

3)THE TARIFF NUMBER ASSOCIATED WITH THE KOREA FREE TRADE ACT CLAIM MUST CONTAIN THE SPECIAL PROGRAM INDICATOR 'KR'. THE TARIFF NUMBER WITH THE KOREA FREE TRADE INDICATION MAY EITHER BE FREE OR A REDUCED RATE. IF THE RATE IS REDUCED, THE DUTY RATE WILL BE INDICATED IN THE SPECIAL RATE FIELD WITH THE ISO CODE OF 'KR'.

THE DUTY RATE FOR TARIFF PROVISIONS 9920.95.00 AND 9920.99.00 WILL BE ASSOCIATED WITH THE DUTY RATE PROVIDED FOR THE ORIGINATING GOODS OF KOREA IN THE APPLICABLE SUBHEADING FOR THE ALTERNATE TARIFF NUMBER.

FOR EXAMPLE, TARIFF NUMBER 9920.99.00 APPLIES TO APPAREL GOODS OF CHAPTER 61 OR 62. THE DUTY RATE DETERMINATION FOR 9920.99.00 WILL BE THE DUTY RATE ASSOCIATED WITH THE KOREAN FTA RATE ASSOCIATED WITH THE CHAPTER 61 OR 62 TARIFF NUMBER.

4)THE SPI INDICATOR OF 'KR' (ISO CODE FOR KOREA) MUST BE TRANSMITTED. THE SPI INDICATOR IS REPORTED ON THE ENTRY SUMMARY RECORD IDENTIFIER 50 (INPUT), SPECIAL PROGRAM INDICATOR (COUNTRY) FIELD (POSITIONS 78 - 79) OR RECORDS 70/80/81 SPECIAL PROGRAM (COUNTRY) INDICATOR FIELD (POSITIONS 79 - 80).

5)MERCHANDISE PROCESSING FEE EDITS FOR KOREA FREE TRADE CLAIMS ARE THE FOLLOWING:

KOREA FREE TRADE CLAIMS ARE EXEMPT FROM THE MERCHANDISE PROCESSING FEES (CLASS CODE 499 AND CLASS CODE 311).

THERE WILL BE SITUATIONS WHERE A TARIFF NUMBER IS DUTY FREE. DUTY FREE TARIFF NUMBERS DO NOT HAVE SPECIAL PROGRAM INDICATORS. IF THE MERCHANDISE ASSOCIATED WITH THESE DUTY FREE TARIFF NUMBERS QUALIFIES UNDER THE KOREAN ORIGINATING FTA PROVISIONS, THE MPF EXEMPTION CAN BE MADE BY TRANSMITTING THE COUNTRY CODE SPECIAL PROGRAM INDICATOR 'KR' (ENTRY SUMMARY RECORD IDENTIFIER 50 INPUT RECORD, POSITIONS 78 - 79) OR RECORDS 70/80/81 SPECIAL PROGRAM (COUNTRY) INDICATOR FIELD (POSITIONS 79 - 80).

6)QUOTA - TARIFF NUMBERS 99200410 - 99200430, 99209500 - 99209900 ARE SUBJECT TO QUOTA.

THE KOREAN FREE TRADE AGREEMENT IS EFFECTIVE 03/15/2012.

THE TRADE WILL BE ADVISED IN A FUTURE MESSAGE WHEN THE ABOVE SYSTEM CHANGES HAVE BEEN COMPLETED IN ACS.

WHEN THE ABOVE CHANGES HAVE BEEN COMPLETED IN ACS, THE TRADE WILL ALSO BE ABLE TO FILE KOREA FREE TRADE ACT CLAIMS IN ACE (AE).

QUESTIONS ASSOCIATED TO THE KOREA FREE TRADE ACT CAN BE SENT TO THE FOLLOWING PEOPLE:

QUOTA ISSUES SHOULD BE REFERRED TO RICHARD WALLIO AT 202-863-6508 (RICHARD.WALLIO@DHS.GOV).

TEXTILE ISSUES SHOULD BE REFERRED TO JACQUELINE SPRUNGLE AT 202-863-6517 (JACQUELINE.SPRUNGLE@DHS.GOV).

NON TEXTILE POLICY AND PROCEDURE ISSUES SHOULD BE REFERRED TO KATRINA IN-SUK CHANG AT 202-863-6532 (KATRINA.CHANG@DHS.GOV).

SYSTEM RELATED ISSUES MAY BE REFERRED TO YOUR ASSIGNED CLIENT REPRESENTATIVE OR TO ACS, ATTENTION TONY CASUCCI AT 571-468-5053 (ANTHONY.CASUCCI@DHS.GOV).