

ANNEX 3-B

TREATMENT FOR CERTAIN GOODS

1. Origin Conferring

- (a) “Certain goods” referred to in Article 3.5 as reflected in the lists referred to in paragraph 7 and any subsequent amendments, which are reimported as the goods that do not undergo any process beyond operations within the territory of the reimporting Party for export as set out in Article 3.7 shall be deemed to be originating in the territory of the Party, provided that the total value of non-originating input¹ does not exceed 40 percent of the FOB price of the final good for which originating status is claimed.
- (b) Except as otherwise provided for in this Annex, relevant rules in this Chapter shall be applied, *mutatis mutandis*, to the origin conferring of the goods to which Article 3.5 applies.

2. Specific Procedures for the Implementation of Article 3.5

- (a) Certificate of Origin for goods covered by Article 3.5 shall be issued by the issuing authority² of the exporting Party in accordance with Section B of this Chapter.
- (b) The issuing authority of the exporting Party shall indicate in the Certificate of Origin that the good is covered by Article 3.5.
- (c) Except as otherwise provided for in this Annex, the relevant Articles in Section B of this Chapter shall be applied, *mutatis mutandis*, to the goods to which Article 3.5 applies.
- (d) Korea shall assist the customs authority of Viet Nam to conduct verification on goods covered by Article 3.5 in accordance with the relevant Articles in Section B of this Chapter.

3. Special Safeguard

- (a) When a Party determines that there is an increase of importation of a good covered by Article 3.5 into the territory of that Party in such quantities and under such conditions as to cause, or threaten to cause, serious injury to its domestic industry, that Party shall be free to suspend the application of Article 3.5 to such a good for such a period of time as it may consider necessary to prevent or remedy such injury or threat to cause injury to the

¹ "Total value of non-originating input" shall mean the value of any non-originating materials added inside as well as any materials added and all other cost accumulated outside Korea and Viet Nam, including transport costs.

² For Korea, for the purposes of this Annex, “issuing authority” means the Korean Customs Authority.

domestic industry of the Party.

- (b) A Party that intends to suspend the application of Article 3.5 pursuant to subparagraph (a) shall notify the other Party two months in advance of the start of the suspension period and afford the other Party an opportunity to exchange views with it in respect of the proposed suspension.
- (c) The period mentioned in subparagraph (a) may be extended provided that the Party that has taken the action of suspension has determined that the suspension continues to be necessary to prevent or remedy injury.
- (d) In critical circumstances, where delay would cause damage which would be difficult to repair, the suspension of the application of Article 3.5 under subparagraph (a) may be taken provisionally without two-month advance notification to the other Party, on the condition that the notification shall be made before such suspension takes effect.
- (e) When a Party has made a determination mentioned in subparagraph (a) and the requirements set out in subparagraph (b) are fulfilled, the Party concerned may suspend the application of Article 3.5 unilaterally and unconditionally, including as follows:
 - (i) there shall be no obligation to prove that there is serious injury;
 - (ii) there shall be no obligation for advance consultation;
 - (iii) there shall be no limit to the duration or frequency of suspension;
and
 - (iv) there shall be no obligation for compensation.

4. Annual Review

- (a) The Parties shall review the implementation and operation of Article 3.5 in the Joint Committee. For this purpose:
 - (i) the exporting Party shall provide the Joint Committee with a brief factual report on the operation of Article 3.5, including export statistics of each good listed in paragraph 7 to the importing Party during the previous one-year period; and
 - (ii) the importing Party shall provide, upon request of the Joint Committee, information pertaining to the denial of claims for preferential tariff treatment, if any, including the number of Certificates of Origin not accepted, and reasons for the denial.
- (b) The Joint Committee may request such additional information as it may consider necessary for its review of the implementation and operation of Article 3.5 from the exporting Party.

- (c) Taking into account the result of the review provided for in subparagraph (a), the Joint Committee may make recommendations as it may consider necessary.

5. Dispute Settlement

Any dispute concerning the interpretation, implementation or application of this Annex shall not be subject to the procedures and mechanism as set out in Chapter 15 (Dispute Settlement).

6. Relations to other Provisions of this Agreement

Nothing in this Annex shall affect the rights and obligations of the Parties under this Agreement, including Article 7.1 (Application of a Safeguard Measure).

7. List of Goods

The following shall be the list of goods covered by this Annex. A Party may request amendment of the list referred to in this paragraph, which the other Party shall consider in good faith. Such amendment shall be adopted when mutually agreed by both Parties.

No.	HS 6 (2012)	Product Description (HS 6)
1	121221	Fit for human consumption
2	321310	Colours in sets
3	340700	Modelling pastes, including those put up for children's amusement; preparations known as "dental wax" or as "dental impression compounds", put up in sets, in packings for retail sale or in plates, horseshoe shapes, sticks or similar forms; other preparations for use in dentistry, with a basis of plaster (of calcined gypsum or calcium sulphate).
4	350610	Products suitable for use as glues or adhesives, put up for retail sale as glues or adhesives, not exceeding a net weight of 1 kg
5	391740	Fittings
6	392310	Boxes, cases, crates and similar articles
7	392329	Of other plastics
8	392350	Stoppers, lids, caps and other closures
9	392690	Other
10	401699	Other
11	420229	Other
12	481940	Other sacks and bags, including cones
13	520839	Other fabrics
14	550932	Multiple (folded) or cabled yarn
15	560811	Made up fishing nets
16	580421	Of man-made fibres
17	581092	Of man-made fibres
18	610230	Of man-made fibres
19	610290	Of other textile materials
20	610711	Of cotton
21	610791	Of cotton
22	610821	Of cotton
23	610822	Of man-made fibres
24	610891	Of cotton
25	610910	Of cotton
26	610990	Of other textile materials

No.	HS 6 (2012)	Product Description (HS 6)
27	611011	Of wool
28	611120	Of cotton
29	611130	Of synthetic fibres
30	611522	Of synthetic fibres, measuring per single yarn 67 decitex or more
31	611529	Of other textile materials
32	611594	Of wool or fine animal hair
33	611595	Of cotton
34	611596	Of synthetic fibres
35	611599	Of other textile materials
36	620113	Of man-made fibres
37	620119	Of other textile materials
38	620193	Of man-made fibres
39	620211	Of wool or fine animal hair
40	620213	Of man-made fibres
41	620293	Of man-made fibers
42	620312	Of synthetic fibres
43	620319	Of other textile fibres
44	620331	Of wool or fine animal hair
45	620333	Of synthetic fibres
46	620341	Of wool or fine animal hair
47	620342	Of cotton
48	620343	Of synthetic fibres
49	620433	Of synthetic fibres
50	620443	Of synthetic fibres
51	620453	Of synthetic fibres
52	620462	Of cotton
53	620463	Of synthetic fibres
54	620520	Of cotton
55	620530	Of man-made fibres
56	620640	Of man-made fibres
57	620690	Of other textile materials
58	620711	Of cotton
59	620719	Of other textile materials
60	620799	Of other textile materials
61	620892	Of man-made fibres
62	621143	Of man-made fibres
63	621600	Gloves, mittens and mitts.
64	630231	Of cotton
65	630493	Not knitted or crocheted, of synthetic fibres
66	630532	Flexible intermediate bulk containers
67	630533	Other, of polyethylene or polypropylene strip or the like
68	630612	Of synthetic fibres
69	630790	Other
70	650700	Head-bands, lining, covers, hat foundations, hat frames, peaks and chinstraps, for headgear.
71	691200	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china.
72	691490	Other
73	732393	Of stainless steel
74	761699	Other
75	841330	Fuel, lubricating or cooling medium pumps for internal combustion piston engines
76	842123	Oil or petrol-filters for internal combustion engines
77	848490	Other
78	850110	Motors of an output not exceeding 37.5 W
79	850300	Parts suitable for use solely or principally with the machines of heading 85.01 or 85.02.

No.	HS 6 (2012)	Product Description (HS 6)
80	851240	Windscreen wipers, defrosters and demisters
81	851290	Parts
82	851610	Electric instantaneous or storage water heaters and immersion heaters
83	851660	Other ovens; cookers, cooking plates, boiling rings, grillers and roasters
84	851690	Parts
85	851770	Parts
86	852990	Other
87	853669	Other
88	853670	Connectors for optical fibres, optical fibre bundles or cables
89	853890	Other
90	853990	Parts
91	854430	Ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships
92	854442	Fitted with connectors
93	870892	Silencers (mufflers) and exhaust pipes; parts thereof
94	870894	Steering wheels, steering columns and steering boxes; parts thereof
95	870899	Other
96	940510	Chandeliers and other electric ceiling or wall lighting fittings, excluding those of a kind used for lighting public open spaces or thoroughfares
97	940592	Of plastics
98	940599	Other
99	960820	Felt tipped and other porous-tipped pens and markers
100	960910	Pencils and crayons, with leads encased in a rigid sheath