
CUSTOMS LAW OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA

Adopted by Decision No. 7 of the Standing Committee of the Supreme People's Assembly on October 14, 1983, amended by Decision No. 24 of the Standing Committee of the Supreme People's Assembly on May 17, 1990, amended by Decision No. 41 of the Standing Committee of the Supreme People's Assembly on November 17, 1993, amended by Decree No. 2468 of the Presidium of the Supreme People's Assembly on July 26, 2001, amended by Decree No. 112 of the Presidium of the Supreme People's Assembly on June 16, 2009 and amended by Decree No. 2304 of the Presidium of the Supreme People's Assembly on April 3, 2012.

Chapter 1 Fundamentals

Article 1 (Objective)

This Law is enacted for the purpose of providing strict guidelines for customs registration clearance and inspection, and imposition and payment of customs duties, thereby contributing to safeguarding national security, protecting the independent national economy and promoting foreign trade.

Article 2 (Definition, places of customs)

The customs is the gateway to the country.

The State shall set up custom offices at border bridges, border railway stations, trade ports, international airports, international post offices and other places as may be required.

Article 3 (Functions of customs)

The customs shall perform the functions of:

1. Inspecting and controlling cargoes, commodities, transports, international postal matter and other articles that are brought into or taken out of the territory of the DPRK;
2. Inspecting luggage and personal effects of the individuals entering or leaving the territory of the DPRK;
3. Charging customs duties, tonnage dues and fees;
4. Supervising the bonded area, bonded factories, bonded warehouses and bonded exhibition houses and controlling the bringing in and taking out of bonded materials;
5. Supervising the use and disposal of goods exempted from customs duties and goods temporarily brought in or taken out;
6. Investigating and keeping control over the acts of bringing in or taking out contrabands and controlled goods, smuggling and acts of making false declarations;
7. Collecting statistics of the customs; and
8. Carrying out other work authorized by the State.

Article 4 (Streamlining of customs registration and formalities)

The State shall ensure that customs registration is accurately made, clearance procedures for the cargoes and commodities are streamlined and strictly observed.

Article 5 (Principle of customs inspection)

The State shall ensure that the methods of customs inspection are improved and the means of inspection are updated so that inspection on cargoes and commodities, international postal matter, personal effects and transports moving across the borders are conducted timely and properly.

Article 6 (Principle of imposition of customs duties)

The State shall, for the purpose of protecting the independent national economy, apply either zero or low tariffs on materials whose import and export are encouraged, and high tariffs on materials whose import and export are restricted.

Article 7 (Prohibition of interfering or hindering customs work)

The State shall ensure that the functions and responsibilities of the customs and the institutions related thereto are clearly defined.

Acts of interfering or hindering the customs work shall not be committed.

Article 8 (Enhancing responsibilities and role of customs officers, training of experts)

The State shall ensure that the customs are staffed with personnel with due qualifications, their responsibility and role further enhanced and competent experts trained in a planned manner.

Article 9 (Exchange and cooperation)

The State shall promote exchange and cooperation with foreign countries and international organizations in the area of customs administration.

Article 10 (Applicability)

This Law shall be applicable to the institutions, enterprises, organizations and individuals that bring in or take out the cargoes, commodities, transports and international postal matter across the border of the DPRK.

“Institutions, enterprises, organizations and citizens” shall include the foreign-invested businesses, and the representative missions of foreign countries and international organizations, foreign corporate bodies and individuals in the territory of the DPRK.

The customs procedures in the special economic zones shall be set separately.

Chapter 2 Customs Registration and Formalities

Article 11 (Registration)

Institutions, enterprises and organizations that obtained the license for export or import shall register with the customs.

Cargoes and commodities shall be brought into or taken out, provided that customs registration has been made.

Article 12 (Application for customs registration, approval thereof)

Institutions, enterprises and organizations that wish to register with the customs shall submit to the customs concerned an application to that effect, as well as a license for the operation of a trading company, a document of approval for the establishment thereof, a bank guaranty, a registration certificate of the export base, a tax registration certificate and the like.

The customs shall responsibly examine the application and either register or reject it.

Article 13 (Performing formalities)

Customs formalities shall be performed by the institutions, enterprises, organizations and individuals that bring into or take out of the DPRK the cargoes, commodities and transports.

Performing customs formalities shall be obligatory on the institutions, enterprises, organizations and citizens concerned.

Article 14 (Time of customs formalities)

Customs formalities shall be completed before the arrival of the materials concerned at the customs office.

Article 15 (Submission of documents for customs formalities, examination thereof)

Customs formalities shall be carried out at the designated customs office. In this case an individual going through the formalities shall submit the relevant documents through an electronic clearance system.

In an unavoidable situation, the documents for the customs clearance may be submitted directly to the customs.

The customs shall examine the documents carefully and timely provide for the convenience of completing formalities.

Article 16 (Declaration by individual)

An individual who enters or leaves the DPRK shall, on arrival at a border bridge, border railway station, a trade port or an international airport, truthfully declare to the customs his personal effects, precious metals, jewelry, currencies, securities and luggage.

Article 17 (Transit cargoes)

Customs formalities for the cargoes of foreign countries that transit the DPRK territory shall be carried out by the institution that is responsible for the transshipment thereof. In this case controlled goods shall be permitted to go through formalities subject to the approval of the competent institution.

Contrabands shall not be transited through the DPRK territory.

Article 18 (Transports transiting the DPRK)

Transports going to a foreign country via the DPRK shall be allowed to pass only when the required formalities are carried out. In this case the person performing the clearance procedures shall submit to the customs a document concerning the transports and a manifest.

Article 19 (Points of crossing of inward or outward materials)

Cargoes, commodities and transports shall be brought into or taken out of the DPRK only through the points where the customs offices are set up.

Chapter 3 Customs Inspection and Supervision

Article 20 (Objects of customs inspection)

The customs inspection shall cover all the cargoes, commodities, international postal matter, personal effects and transports that are brought into or taken out of the DPRK.

Cargoes, commodities, international postal matter, personal effects and transports that have not been subjected to the customs inspection shall not be permitted to enter or leave the DPRK.

Article 21 (Exemption from customs inspection)

Customs inspection shall not be made on personal effects and luggage of members of party, state and government delegations, holders of diplomatic passports of the representative missions of foreign countries or international organizations accredited to the DPRK and officials who are specially designated, as well as on diplomatic postal matter and correspondence. Notwithstanding the previous provision, customs inspection may be made on those items where there is evidence to believe that they contain controlled or contraband articles.

Article 22 (Objects of supervision and control of customs)

Contrabands and controlled goods that are not approved by the institution concerned shall not be brought into the DPRK nor taken to a foreign country.

The customs shall exercise strict supervision and control to ensure that such contrabands as weapons, ammunition, explosives, poison, powerful drugs and narcotic drugs, controlled goods that are not approved by the competent institution, and materials which are not included in the State foreign trade plan or for which price license has not been obtained are not brought into or taken out of the DPRK.

Article 23 (Place of customs inspection)

Customs inspection shall be conducted at border bridges, border railway stations, trade ports, international airports, international post offices and other designated places.

Inspection of personal effects and luggage of individuals may be performed on transports such as a train or a ship.

Article 24 (Method of customs inspection)

The customs may inspect the cargoes, commodities, international postal matter, and personal effects of individuals with machines or by having them unpacked.

Where smuggling is suspected, the places, transports or individuals concerned may be searched.

Article 25 (Mobile inspection, inspection of transit cargoes)

The customs may provide mobile inspection or conduct inspection of cargoes of a foreign country that transit the territory of the DPRK.

Procedures for the mobile inspection and inspection of transit cargoes shall be prescribed by the Cabinet.

Article 26 (Request for customs inspection, report thereon)

The customs may request the inspection of large-sized equipment, cargoes in containers or covered wagons that are imported to the competent institution at the place of destination thereof. In this case the owner of the cargoes shall, upon their arrival, declare them to the relevant institution without delay.

The requested institution shall responsibly carry out the inspection of the cargoes declared and report the results to the customs.

Article 27 (Transport of cargoes or commodities requested for inspection)

The cargoes or commodities whose customs inspection has been requested shall be transported to the destination under the supervision of the customs.

The transport institution concerned shall responsibly transport the requested cargoes or commodities, and shall not, without approval, unload them nor change their destination in the middle of their transportation.

Article 28 (Inspection of transports)

The customs may inspect the cargo compartments, passenger compartments, crew's quarters and other places of the transports as may be required.

Where controlled goods or contrabands are found in the course of the inspection, the customs may suspend the use thereof or put them in a cargo compartment and keep them under supervision.

Article 29 (Seal of customs)

The customs may, in case of need, put seals on the cargoes or commodities under its supervision, or the warehouses, containers or cargo compartments of the transports

The seal shall not be broken without the consent of the customs.

Article 30 (Cooperation with inspection, quarantine institutions)

The customs shall strengthen cooperation with the immigration inspection institution and the institution for inspection and quarantine of imports and exports that are set up at border bridges, border railway stations, trade ports and international airports.

Persons and cargoes or commodities that have not been subjected to prescribed inspection and quarantine shall not pass.

Article 31 (Supervision of cargoes in custody of customs)

The customs shall regularly check the cargoes in the custody of border bridges, border railway stations, trade ports and bonded or duty-free warehouses, and materials exempted from customs duties to ensure that they are not damaged or lost, or disposed of without consent.

Cargoes or commodities that are not collected within the specified period of time or for which no claim is made may be disposed of by the customs according to the relevant procedures.

Article 32 (Cargoes of wrong delivery)

Cargoes of a foreign country and international postal matter that are brought in as a result of wrong delivery and articles whose owner cannot be identified shall be disposed of subject to the consent of the customs.

Article 33 (Provision of conditions for customs inspection and supervision)

Institutions, enterprises, organizations, citizens and foreign-invested businesses which are under customs inspection, or store, use, process or dispose of the articles in the custody of the customs shall timely provide necessary conditions for the inspection or supervision.

Article 34 (Cargoes and transports in custody of customs)

Where cargoes and transports in the custody of the customs are to be displaced or taken to a different place, institutions, enterprises, organizations and individuals shall obtain the consent of the customs.

Consent of the customs shall also be obtained in case of packing, repacking or sorting goods.

Article 35 (Notification of accidents)

Where cargoes in the custody of the customs are damaged or any other accidents have occurred thereto, the cargo carrier, keeper or manager shall immediately report the matter to the customs.

Article 36 (Prohibitions in use of international postal matter)

Institutions, enterprises, organizations and individuals shall not enclose articles in the letters and publications, nor letters, currencies, securities, precious metals and jewelry in the parcels that come into or go out of the DPRK.

No one shall bring in or take out controlled goods and contrabands by enclosing them in international postal matter or bring in or take out things for the purpose of sale.

Article 37 (Luggage of individuals and personal effects)

Individuals who travel across the border of the DPRK may carry with them necessities for business and life, as well as souvenirs.

Individuals whose job involves making a business trip across the border of the DPRK may take with them only office articles and daily necessities.

Article 38 (Household goods, inherited property)

Household goods being removed and the inherited property may be brought into or taken out of the DPRK without permission being sought. Where any items of the household goods or inherited property fall under the category of contrabands, they shall not be permitted to cross the border, and controlled goods shall be permitted entry or exit only subject to the consent of the competent institution.

Chapter 4 Customs Duties, Tonnage Dues and Fees

Article 39 (Obligation to pay customs duties, tonnage dues and fees)

Customs duties, tonnage dues and fees shall be imposed by the customs.

Institutions, enterprises, organizations and citizens shall be obliged to pay the customs duties, tonnage dues and fees.

Article 40 (Standard price for customs duties)

The standard price for levying customs duties shall be the price of arrival at the border in case of imports, the price of delivery at the border in case of exports and retail price in case of international postal matter and materials which are brought in or taken out by individuals.

Article 41 (Calculation of customs duties)

Customs duties shall be calculated in consideration of the price of the articles concerned and the tariff rate at the time of their passing the border.

Where the customs considers that the price of the articles that was the basis of the calculation of the customs duties was declared lower than the prevailing price in the world market, it may require the relevant price fixing institution to reassess the price declared.

Article 42 (Designation of objects of customs duties, fixing and announcing of tariff rate)

Customs duties shall be imposed on the cargoes and commodities that are used or consumed after being brought into or taken out across the borderline of customs duties.

Objects of customs duties and tariff rate shall be deliberated and determined by the non-standing committee for the review of customs duties.

The objects of customs duties and tariff rate shall be announced by the Cabinet.

Article 43 (Tariff rate in accordance with treaty)

Where a treaty concluded between the DPRK and a foreign country contains an article concerning preferential tariff, it shall be applied; where no preferential tariff has been provided basic tariff rate shall apply.

Article 44 (Articles with no fixed tariff rate)

For an article or item for which the tariff rate has not been set, the tariff for another similar article or item shall be applicable.

Article 45 (Currency for payment of customs duties or fees)

Customs duties and fees shall be paid in the currency prescribed by the State.

Article 46 (Manner of payment of customs duties)

Institutions, enterprises and organizations shall pay customs duties according to the statement of customs duties payment, and individuals according to the notice of customs duties payment.

The statement and notice shall be issued by the relevant customs.

Article 47 (Time of paying customs duties)

Institutions, enterprises and organizations that wish to export or import cargoes or commodities shall pay customs duties before bringing in or taking out the materials concerned.

Article 48 (Payment of customs duties for excess amount)

Where the quantity of international postal matter or luggage of an individual exceeds the prescribed limit, they shall not be delivered before customs duties are paid within the prescribed time limit.

In case of failure in payment within the prescribed period of time, the customs may deliver the goods, leaving the amount equivalent to the customs duties as a security.

Article 49 (Exemption from customs duties)

Customs duties shall be not be levied on the following items:

1. Materials brought in according to the measures taken by the State;
2. Donations or aid materials sent gratis from a foreign country, an international organization or a non-governmental organization to the government of the DPRK or a relevant institution;
3. Office articles, equipment, furnishings, transports and foodstuffs brought in within the prescribed limit to be used or consumed by individuals with diplomatic passports, representative missions of foreign countries or international organizations accredited to the DPRK or their staff;
4. Materials brought in by foreign-invested businesses for the production and management, goods that they produced for the purpose of export and goods at duty-free shops;
5. Bonded materials brought in or taken out for the purpose of processing trade, transit trade and re-export;
6. Materials temporarily brought in or taken out for international trade fair or exhibition;
7. Materials for which no customs duties are payable pursuant to a treaty concerned;
8. Household goods being removed or inherited property; and
9. Luggage of individuals or international postal matter not in excess of prescribed limit.

Article 50 (Imposition of customs duties on duty-free goods)

Article 49 of this Law shall not be applicable in cases where:

1. A foreign-invested enterprise wishes to sell in the territory of the DPRK the materials brought in for production and business operation, and its products;
2. Goods of duty-free shops are to be sold for purposes other than designated;
3. Bonded materials which are brought in for the purpose of processing trade, transit trade, re-export, are sold in the territory of the DPRK or not taken out within the prescribed period of time;
4. Goods brought in temporarily for the international trade fair or exhibition are used or consumed in the territory of the DPRK;

5. A member of a delegation concerned, an individual with a diplomatic passport or a representative mission of a foreign country or an international organization or its staff bring in or take out goods in larger quantities than the prescribed amount; and

6. International postal matter or the luggage of an individual exceeds the prescribed limit.

Article 51 (Procedures for payment of customs duties for duty-free articles)

Where customs duties are to be paid in accordance with article 50 of this Law, the institutions, enterprises, organizations and citizens shall make a declaration thereof to the customs and pay the required amount of customs duties.

Article 52 (Imposition of additional customs duties)

Where no customs duties was levied or the amount of customs duties that was levied is found to be less than the amount payable, additional customs duties may be imposed within 3 years of clearance of the goods concerned.

Article 53 (Refund of customs duties)

Customs duties already paid shall be refunded partly or wholly in cases where;

1. Bringing in or taking out the goods in question was suspended by the State measure;
2. Part or whole of the exports or imports were damaged in the middle of transportation due to unavoidable reasons; or
3. Customs duties were paid in excess of the due amount due to inappropriate imposition or miscalculation

Article 54 (Application for refund)

Where the cause stated in article 53 arises, the payer of customs duties may submit an application to the customs for the refund within 1 year of the payment of the customs duties.

The customs shall deal with the matter within 30 days of receiving the application.

Article 55 (Establishment and operation of bonded area, bonded factory, bonded warehouse, bonded fair)

Bonded area, bonded factories, bonded warehouses and bonded fairs shall be established and operated for purpose of promoting external economic exchange.

The guidelines for the establishment and operation of the same shall be provided by the Cabinet.

Article 56 (Bonded period)

Customs duties shall not be levied on bonded materials during the bonded period.

The bonded period shall be 2 years for a bonded factory and bonded warehouse, and the period for the bonded fair shall be set by the customs.

Article 57 (Extension of bonded period)

Where the owner of a cargo wishes to have the bonded period extended for unavoidable reasons, he shall submit to the customs a written application to that effect 10 days before the termination of the original period.

The customs may permit the extension of the bonded period by up to 6 months.

Article 58 (Security for taking out or bringing in of bonded materials)

Where the bonded materials are to be taken out of a bonded area for the purpose of processing, packing and assembling, a security that is equivalent in value to the customs duties shall be put in the custody of the customs.

Where the materials are brought in within the prescribed time limit, the security shall be returned. In case of failure the security entrusted with the customs may be used as a substitute for the customs duties.

Article 59 (Imposition of protective tariffs, anti-dumping duties, punitive tariffs)

Measures may be taken to impose special protective tariffs, anti-dumping duties and punitive tariffs for a certain period of time for the purpose of protecting the key industrial sectors and natural resources.

The objects, tariff rate and the term of imposing the special protective tariffs, anti-dumping duties and punitive tariffs shall be prescribed by the Cabinet.

Article 60 (Imposition of tonnage dues)

Tonnage dues shall be levied on foreign ships entering or leaving the ports of the DPRK, the DPRK-owned ships with foreign nationalities and foreign-owned ships with the DPRK nationality.

Tonnage dues shall be paid by a foreign shipping agency.

Article 61 (Payment of customs fees)

Institutions, enterprises, organizations and individuals shall pay in time customs fees and custody charges.

The customs fees shall be fixed by the institution concerned.

Chapter 5 Guidance and Control of Customs Administration

Article 62 (Basic requirements of guidance and control)

Tightening guidance and control of the customs administration is an important guarantee for the proper implementation of the customs policy of the State.

The State shall ensure that a proper system for the guidance of the customs is established and control is tightened.

Article 63 (Guidance, obedience)

The customs shall be placed under the unified guidance and control of the central customs guidance organ.

The central customs guidance organ shall exercise regular and proper control and guidance of the branch customs.

The customs shall all be obedient to the central customs guidance organ.

Article 64 (Establishment of a non-standing committee for review of customs duties)

A non-standing committee for the review of customs duties shall be organized for the purpose of proper implementation of the State tariff policy.

The committee shall conduct its work under the guidance of the Cabinet.

Article 65 (Request for cooperation)

The customs may request cooperation to the relevant judicial organs, frontier guard bodies, specialized assessment institutions and science and research institutions while it is investigating and controlling smuggling, where the cargoes, commodities and transports under its custody are missing or it needs an expert opinion.

The requested institution shall render the required assistance in time.

Article 66 (Consultative meeting of officials concerned, handling of agreed matters)

Consultative meeting of the officials of the customs, immigration inspection institution, institution for the inspection and quarantine of imports and exports and branches of trading corporations shall be regularly held at border bridges or border railway stations to collectively discuss the matters arising in the customs administration.

The consultative meeting shall be chaired by the superintendent of the customs and agreed matters shall be handled under his direction.

Article 67 (Inquiry into retention, use and disposal of document of customs duties payment and duty-free materials)

The customs may examine the document of customs duties payment of the institutions, enterprises and organizations and if necessary, make inquiries into the storage, use and disposal of materials exempted from customs duties.

Article 68 (Supervision and control)

The customs administration shall be placed under the supervision and control of the central customs guidance organ and the relevant supervisory and control organ.

The central customs guidance organ and the relevant supervisory and control organ shall regularly supervise and control the customs clearance, imposition and payment of customs duties.

Article 69 (Imposition of arrears)

Where customs duties, tonnage dues and fees are not paid within the prescribed period of time, the customs may impose prescribed arrears.

Article 70 (Seizure, confiscation, fine, suspension of business operation)

Where cargoes, commodities, international postal matter, personal effects are illegally brought into or taken out of the DPRK, such sanctions as seizure, confiscation, fine and suspension of business operation may be imposed.

Article 71 (Administrative or penal liability)

Officials of the institutions, enterprises and organizations, and citizens that have caused serious consequences through violation of this Law shall, depending of the seriousness of the offence, be liable to administrative or penal responsibility.

Article 72 (Complaints, term of settlement)

Any complaint in connection with the customs administration may be lodged with the central customs guidance organ or the relevant organ.

Complaints shall be settled within 30 days of receipt thereof.