



UK Trade Bill Submission

June 18, 2020



Written evidence submitted by the British Chamber of Commerce in Korea**UK TRADE BILL SUBMISSION****Summary**

1. BCCCK welcomes the Trade Bill that considers the provision and implementation of the UK's post-Brexit international trade agreements, including the UK-Korea FTA that was signed by the UK and South Korea on 22 August, 2019.
2. Given the global economic downturn caused by COVID, widespread trade protectionism, and protracted Brexit negotiations between the UK and EU, a swift and timely implementation of the UK-Korea FTA on 1 January, 2021 in the event of a no deal Brexit will ensure much-needed trade continuity between the UK and Korea and will add an element of certainty and confidence to businesses in both countries.
3. BCCCK strongly supports the establishment of a Trade Remedies Authority (TRA) and the data collection and sharing by the HMRC, as there is a clear need to provide redress where unfair trade practices are evident and to promote the UK trade respectively post-Brexit. In addition, BCCCK asks the UK Government to consider adopting other FTA-related best practices such as "advance origin verification for exports" as a proactive risk management measure to ensure a smooth transition in the implementation of FTAs after the transition period.
4. The terms and conditions of the new UK-Korea FTA largely replicate the preferential terms of the EU-Korea FTA, which went into effect in December 2015 and is in need of being renegotiated. As the UK-Korea FTA will be due for renegotiation within two years of its implementation, the UK Government should establish a clear channel of communications with relevant stakeholders to collect and address information related to significant non-trade barriers that impact British businesses in overseas markets with which it will maintain FTAs, including Korea.

Specific Comments

1. In preparation for the implementation of the FTAs including the UK-Korea FTA, the HMRC should consider establishing a process of "advance origin verification for UK exports". Effective July 1, 2020, the Korean Customs Service will start offering the advance origin verification service for Korean exports to protect Korean exports and minimise any risk of these exports being denied of the FTA preferential tariffs at the port of entry. Currently, the HMRC only issues an approved exporter status to individual exporters and responds to any origin verification requests as issues arise. This reactive approach exposes the UK exports to the risk of potential origin verification disputes, which could then negatively impact the future export prospects of these goods.
2. One of the significant non-trade barriers that impact British goods in Korea includes its IP protection measures that are idiosyncratic in their application and inconsistent with global standards.

British Chamber of Commerce in Korea (BCCCK)

BCCCK represents a broad spectrum of British, international and Korean companies, who share significant commercial interests in the country. The Chamber also works together with the British government to promote British trade, commerce and investment in Korea and to encourage business development between Korean and British companies.