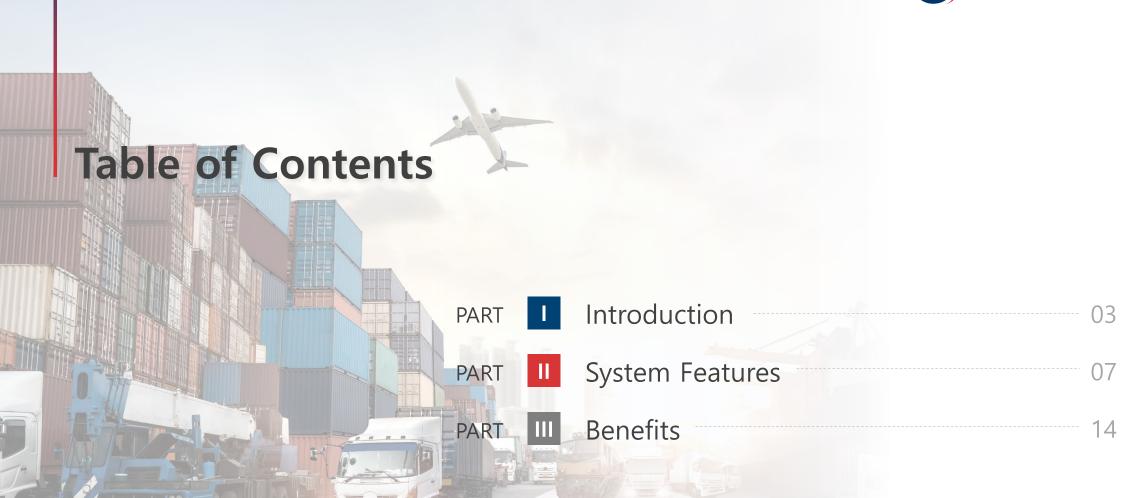
FTA-PASS Transforming Origin Management with Digitalization







Growing Numbers of Trade Agreements





21 Agreements in effect with 59 countries And More...

Share of Trade Volume with FTA Partner Countries

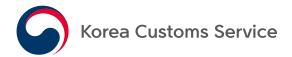
Trade with FTA Partner Countries, 78.3%

Non-FTA Trade

Opportunities and challenges from proliferation of FTAs and rules of origin



Growing Needs for Origin Management



Origin management needs expertise and resources...



Select goods

- Select which goods to export and which FTA to utilize
- Prepare a bill of materials (BOM) for the goods

Rules of origin / Classification

- Check rules of origin of the goods
- Classify materials and goods in HS codes
- Value the goods and materials

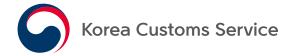
Originating status

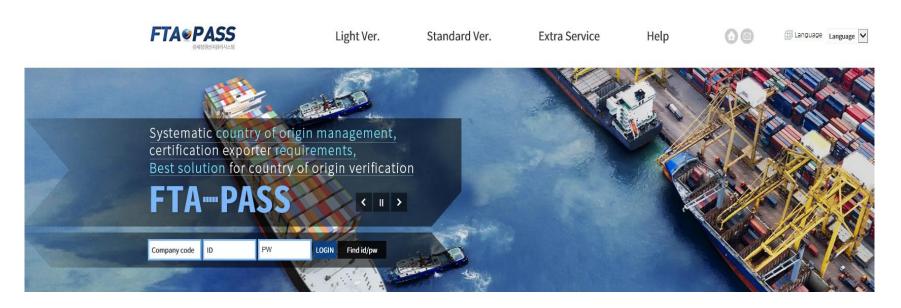
 Determine if the goods meet origin criteria of the FTA to utilize

Proof of origin / Record keeping

- Get proof of origin
- Keep documentary evidence of origin
- Respond to retroactive origin verification



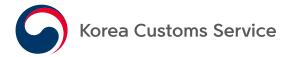




FTA-PASS is a solution for origin management

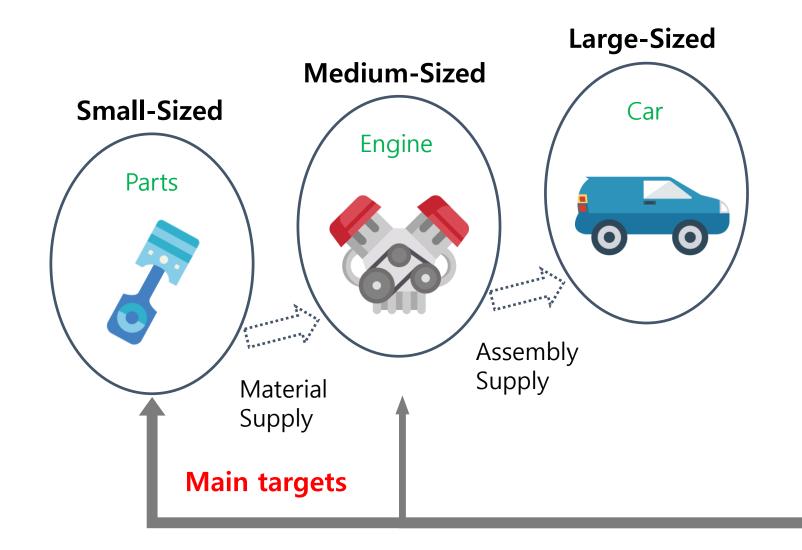
- Developed by KCS and Korea Institute of Origin Information (KIOI)
- Launched in 2010 and is used by 28,997 businesses (as of Sep. 2023)
- Issued 478,900 cases of origin-related documents
- Visit http://www.ftapass.or.kr

Target Users



Wide range of users

- Small, medium, largesized companies
- For manufacturers, distributors and all



Key Functions





Data management

Helps manage origin-related data

(e.g. buyer, seller, goods, materials, BOM and HS codes)



Origin calculation

Determines origin of goods under Rules of Origin of all FTAs in effect



Documentation

Applies for CO
Issues Origin
Declaration &
documents

Communicate origin documents



Verification Support

Keeps record and provides forms to support origin verification

System Components





Master

Client

Material & Product List

BOM

Transaction

Material Price

Certificate of Origin (Received)

Product Price

Calculation

Origin Calculation

Calculation History

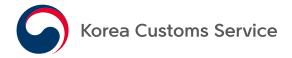
Documentation

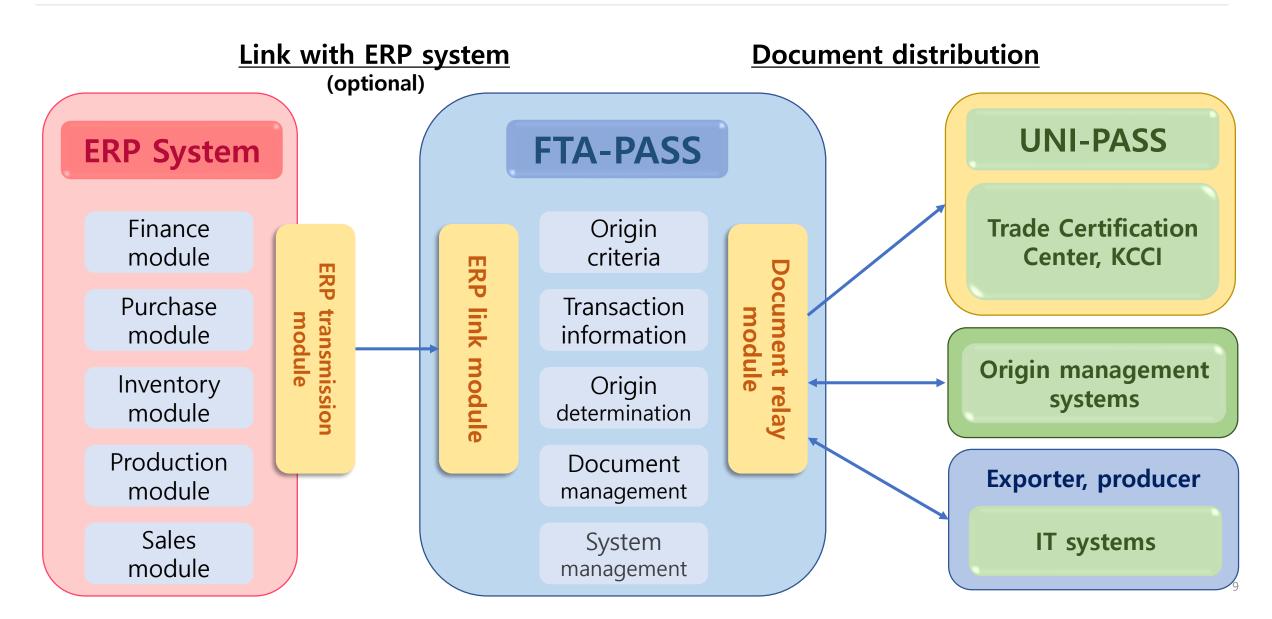
CO Application

Self-Issued CO

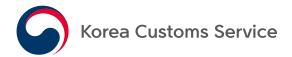
Local CO Issue

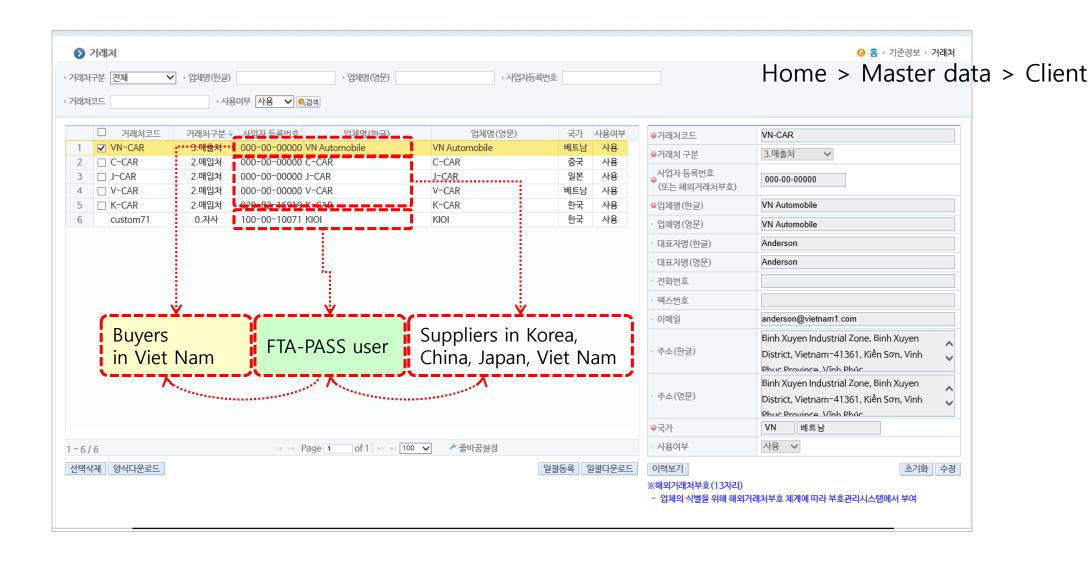
Link with External Systems





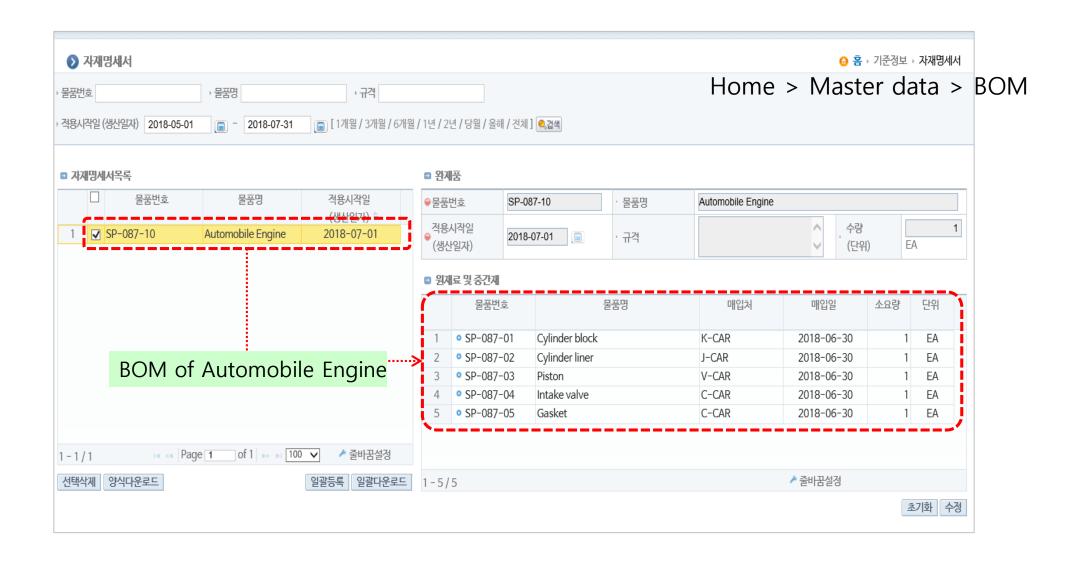
Sample Screen: Data Management



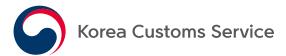


Sample Screen: Data Management

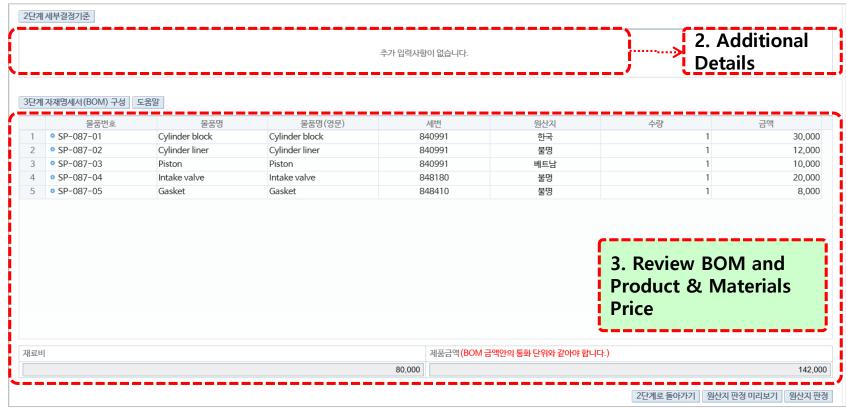




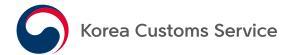
Sample Screen: Origin Calculation

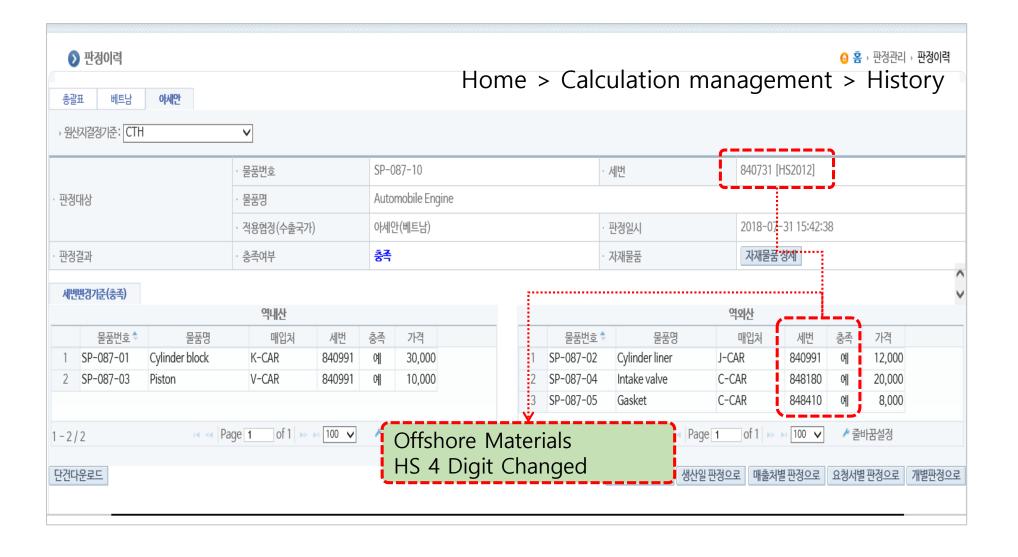




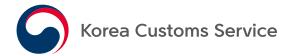


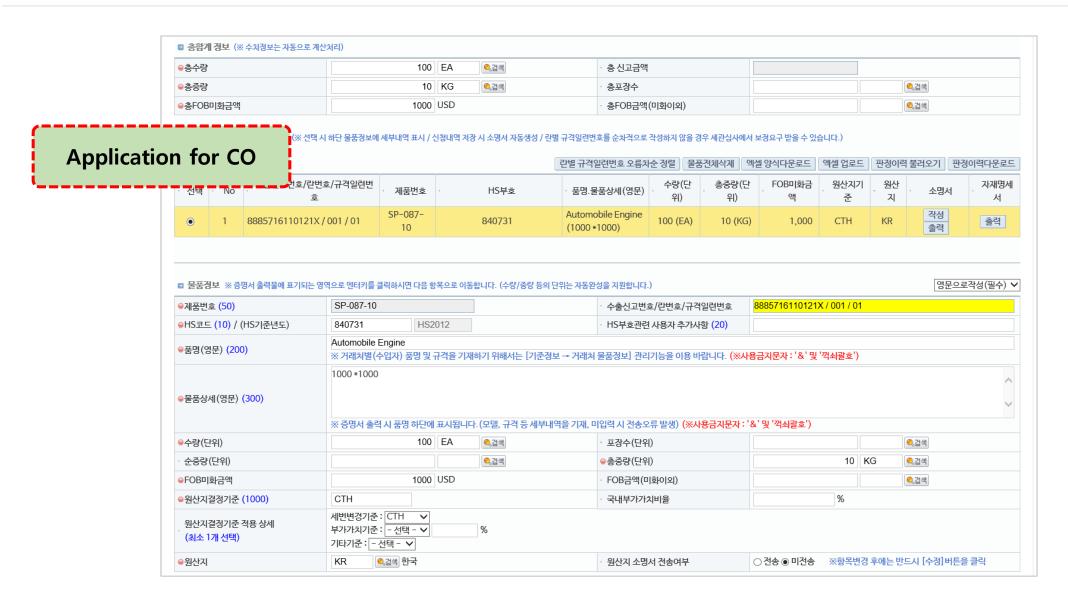
Sample Screen: Origin Calculation





Sample Screen: Documentation





Benefits of using FTA-PASS





- Efficient origin determination under all FTAs
- Easy issuing and exchange of origin documents
- Helps keep origin-related data and documents
- Helps cope with retroactive origin verification
- No need to build additional system

Support for FTA-PASS Users





Consultation

- Customized on-site & online support
- Comprehensive consultation on FTA utilization
- Classification support



FTA-PASS Training

- Hands-on training
- E-learning courses
- Repository of info on FTA and ROO



System support

- Application for CO & authorized exporter
- Transmission module to link to ERP systems

Case Study: Successful Export Utilizing FTA





Company A

Manufacturer of car body parts with annual sales of 289 Bil USD

	KR-US	KR-VN	KR-CN
PSR	CTSH or BU 35%, BD 55%	CTH or RVC 40%	RVC 50%

Barriers in utilizing FTA

- Uses over 50 raw materials for manufacturing
- Needs origin documents from local sellers, mostly SMEs

On-site consultation and FTA-PASS training

- Company A and A's local sellers began to exchange origin documents through
 FTA-PASS
- -

- Company A could finally have FTA COs issued
 - ✓ Increased sales contracts with the overseas buyer



Way Forward

- Support traders and manufacturers in utilizing FTA
- Support WCO Members in digitalizing origin procedure
 - Distribution of FTA-PASS
 For video clip, follow the link or QR code: <u>FTA-PA</u>
 - Contribution to WCO TCRO's Interconnectivity of Certificate of Origin

Thank you for your Attention!

Chulhun LEE (Hunny)

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