

1303: Application for (Comprehensive) Approval of the Extension of the Time Limit and Offering of Collateral

The Comprehensive Extension System is granted when an applicant submits an Application for (Comprehensive) Approval of the Extension of the Time Limit for Payment of Customs Duty (also for Consumption Tax and Local Consumption Tax) and a Collateral Provision Form with collateral to the customs office by the end of the month prior to a specific month.

Once the application is approved by the customs office, a Notice of Extension of the Time Limit for Payment and the receipt of collateral are issued. Please keep the receipt of collateral in a safe place since it must be submitted to the customs office for a request for collateral release. Please note the following when applying:

- (1) The period for extension of the time limit for payment is three months or less from the last day of the end of the relevant specified month;
- (2) Application may be made either by the importer or the customs agent on behalf of the applicant;
- (3) Applications of specific months (maximum 12 months) can be made comprehensively; and
- (4) Extension of the time limit for payment is also applied to national consumption tax and local consumption tax, which are levied with customs duty.

(Paragraph 2 of Article 9-2 and Article 9-11 of the Customs Law, Article 8-2 and Article 8-4 of the Cabinet Order for Enforcement of the Customs Law, Paragraph 2 of Article 51 of the Consumption Tax Law, Paragraph 1 of Article 72-103 of the Local Tax Law)

○ Types of collateral used for the Comprehensive Approval of the Extension of the Time Limit

There are seven types collateral: namely, government or local bonds, corporate bond or securities, land, buildings, foundations, written guarantee by a guarantor, and money.

Specific documents which must be submitted to the customs offices are described below.

- (1) Government or local bonds: Original copy of deposit receipt. In the case of registered bonds, Notification of Registration.
- (2) Corporate bond or securities: Original copy of deposit receipt. In the case of Book entry of Shares, etc., two copies of the Request for Book-entry of Shares, etc. collateral.
- (3) Land: Certification of registered matters or transcript of registry.
- (4) Buildings: Certification of registered matters or transcript of registry.
- (5) Foundations: Certification of registered matters or transcript of registry.
- (6) Written guarantee by guarantor: Written guarantee (as frozen collateral) or legal surety bond (security of tax payment imposed on imported goods).

In principle, guarantors are banks, long-term credit banks, agricultural and forestry central banks, Shoko Chukin Bank, cooperative banks, life insurance companies, casualty insurance companies, foreign life insurance companies and foreign general insurance corporations.

- (7) Money: Authenticated copy of deposit statement.

Government bonds, local government bonds, corporate bond, securities and money in cash are deposited at District Legal Affairs Bureaus.

(Article 9-6 of the Customs Law, Article 8-2 of the Cabinet Order for Enforcement of the Customs Law, 9-11-1, 9-11-5 and 9-11-6 of the Basic Notice of the Customs Law)

- Offering of Collateral used at the customs offices within the Country

When an importer wishes to use the Comprehensive Approval System for the Extension of the Time Limit at all customs offices within the country, the importer can generally use this system by submitting an Application (collectively) for (Comprehensive) Approval of the Extension of the Time Limit for Payment of Customs Duty (also for Consumption Tax and Local Consumption Tax) and a Collateral Provision Form with collateral to one of these customs offices.

(Paragraph 2 of Article 9-2 and Article 9-11 of the Customs Law, 9-2-1, 9-11-5, and 9-11-6 or the Basic Notice of the Customs Law, Article 51-2 of the Consumption Tax Law, Paragraph 1 of Article 72-103 of the Local Tax Law)