

1304: Application for Individual Extension of Payment and Offering Collateral

The Individual Extension System is the extension of the time limit for payment of an individual customs duty, and it is granted when an applicant submits an Application for (Individual) Approval of the Extension of the Time Limit for Payment of Customs Duty (also for Consumption Tax and Local Consumption Tax) together with collateral for every import declaration.

Once the application is approved by the customs office, 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) Application may be made either by the importer or the customs agent on behalf of the applicant;
- (2) The period for extension of the time limit for payment is three months or less from the date of issuance of import permit. The applicable amount of duty is within the scope of the amount of collateral; and
- (3) Extension of the time limit for payment is also applied to national consumption tax and local consumption tax, which are levied together with customs duty.

(Paragraph 1 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 1 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 Individual Approval of the Extension of the Time Limit

Types of collateral include government or local bonds, corporate bond or securities, land, buildings, foundations, written guarantee by guarantor, and money.

Specific documents submitted to the customs of office are described below.

- (1) Government or local bonds: Original copy of deposit receipt. In the case of registered bonds, Certificate 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 transit of registry.
- (4) Buildings: Certification of registered matters or transit of registry.
- (5) Foundations: Certification of registered matters or transit of registry.
- (6) Written guarantee by guarantor: Written guarantee 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 9-11 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)