

1309: Request for Extension of the Time Limit for Special Declaration and Offering of Collateral

- The extension of the time limit for duty/tax payment, which is applicable to an authorized importer or a special entrusting importer, can be made by submitting an Application for Approval (Special Declaration) of Extension of Time Limit for the payment of Customs Duty (also for Consumption Tax and Local Consumption Tax) to the customs office where the special declaration is to be filed, within the time limit of the Special Declaration.

Authorized importers will not be required to provide collaterals for the extension of payment deadline except for the case if these collaterals are needed to secure the proper collection of Customs duties, consumption taxes, etc.

Special entrusting importers will be required to provide collaterals for the extension of payment deadline.

When the customs office verifies the relevance of the application, Notice of Extension of Time Limit for duty/tax payment shall be issued.

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. Period for extension of the due date is two months or less from the due date of the submission of the Special Declaration (due date of the payment of the tariff, etc., listed in the relevant Special Declaration Form).
3. Extension of the time limit for payment is also applied to national consumption tax and local consumption tax. However, separate procedures are required for liquor and tobacco tax.

(ref.) 1905 Offering of Collateral in the Authorized Importers' Program

- When deemed necessary for the preservation of duty/tax, an order to provide collaterals to an authorized importer shall, in principle, be issued promptly after each application for the extension of the time limit for duty/tax payment is filed. However, in cases where an authorized importer has provided deferred collaterals (collaterals that can be used for multiple import declarations, etc.) in advance and wishes to use them for the application for the extension of the time limit for duty/tax payment, it is possible to order the provision of collaterals which is equivalent to the total tax amount for the extension of the time limit for duty/tax payment, out of the tax amount for the special declared goods for which import permission was granted in that month.

If provision of collateral is required, the applicant needs to submit a collateral provision form with collaterals to the customs office where the special declaration is to be filed, and the customs office will issue a receipt of collateral upon receiving them. Please keep the receipt of collateral in a safe place since it must be submitted to the customs office when requesting collateral release.

(Paragraph 3 of Article 9-2 and Article 9-11 of the Customs Law, Article 7 and 8-4 of the Cabinet Order for Enforcement of the Customs Law, 9-2-1, 9-2-4 and 9-11-6 of the Basic Note of the Customs Law, Paragraph 3 of Article 51 of Consumption Tax, Paragraph 1 of Article 72-103 of Local Consumption Tax)

- Types of collateral used for the Approval of the Extension of the Time Limit for Special Declaration

There are seven types of collateral: namely, government or local bonds, corporate bond or securities, land, buildings, foundations, written guarantee by 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 deferred 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 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)

- 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 for Special Declaration to any customs offices within the country, this system can be used by submitting an Application for Approval (Special Declaration) of the Extension of the Time Limit for Payment of Customs Duty (also for Consumption Tax and Local Consumption Tax) and 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 of the Basic Notice 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)