



Korea Tax Profile

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1 Corporate Income Tax

Corporate Income Tax

Corporate income tax

Tax Rate

The basic Korean corporate tax rates are currently:

- 10 percent on the first KRW 200 million of the tax base
- 20 percent up to KRW 20 billion
- 22 percent for amounts above KRW 20 billion

For tax years 2015 to 2017, a 10 percent rate of cash reserve tax is levied on a domestic company (including a Korean subsidiary of foreign company but not branch) that falls within one of the two categories below:

- A company that belongs to a group of conglomerates, in which cross holdings are banned by the anti-trust law; or
- A company with capital of more than KRW 50 billion (excluding the small and medium-sized companies under the Restriction of Special Taxation Act)

A company should choose one of the following methods for the calculation of its cash reserve tax base and use it continuously:

- 80 percent of adjusted business profits, less any amount for facility investment, employee's salary increase from the previous year, or dividend distribution.
- 30 percent of adjusted business profit less any amount for employee's salary increase, or dividend distribution.

Local income tax of 10 percent of the corporate income tax due (including cash reserve tax) before deductions/exemptions will also be due. From the taxable year of 2014 a separate local tax filing will be required for local income tax purposes. Previously, local income tax was paid along with the corporate tax obligation.



Residence

A corporation is considered to be resident in Korea if the corporation has its head or main office, or place of effective management in Korea. A resident corporation is liable in Korea for corporate income tax on its worldwide income.

A non-resident corporation is liable for corporate income tax on income from Korean sources only. However, liquidation income of a non-resident corporation is not taxable.

Compliance requirements

A Public Corporation is a corporation that is either listed on a public stock exchange or falling under one of the followings;

- gross assets of the preceding business year is KRW 12 billion or more,
- gross assets and liabilities of the preceding business year is KRW 7 billion or more, or
- total number of employees and gross assets are 300 or more and KRW 7 billion or more, respectively, in the preceding business year.

Public Corporations are subject to statutory audit by an independent certified public accountant and must submit externally audited financial statements with their annual corporate tax returns. If a Public Corporation does not submit externally audited financial statements with its annual corporate tax return, the filing will not be accepted, and the entity will be subject to non-compliance penalties.

A Non-Public Corporation must prepare financial statements in accordance with GAAP, but an external audit is not required.

The corporate tax return (for both Public and Non-Public corporations) must be filed within three months of the last day of the taxation year.

The local income tax return (for both Public and Non-Public corporations) must be filed within four months from the last day of the taxation year.



International Withholding Tax Rates

Dividends paid to a non-resident are subject to withholding tax of 22 percent unless the withholding tax rate is reduced by a tax treaty between Korea and the other contracting state.

Royalties paid to a non-resident are subject to withholding tax of 22 percent (or 2.2 percent on income arising from rental of industrial, commercial or scientific equipment), unless the withholding tax rate is reduced by a tax treaty between Korea and the other contracting state. However, in case where the income from rental equipment are included in royalties under a tax treaty, the royalties are subject to withholding tax at a rate of the lower of 22 percent and tax treaty rate other than 2.2 percent.

Interest paid to a non-resident is subject to withholding tax of 22 percent (or 15.4 percent for interest on bonds issued by the State, local government and a domestic corporation), unless the withholding tax rate is reduced by a tax treaty between Korea and the other contracting state.

Payments for personal services or other income paid to a non-resident are subject to withholding tax of 22 percent unless the withholding tax rate is reduced by a tax treaty between Korea and the other contracting state.

Incomes or gains realized by a non-resident from the transfer of shares of a corporation that is substantially a real estate holding corporation situated in Korea are subject to withholding tax at the lesser of:

- 11 percent of total value of the transferred property, or
- 22 percent of the gains realized on the transfer.

This is the case unless the withholding tax rate is reduced by a tax treaty between Korea and the other contracting state. Also, unless Korean capital gains tax on above transfer of shares is exempted under a tax treaty between Korea and other contracting state, the non-resident should file corporate tax return at the standard corporate income tax rates (see page 1) and the withheld taxes are credited as prepaid taxes

Income or gains derived by a non-resident from the transfer of shares of a Korean corporation are subject to withholding tax at the lesser of:

- 11 percent of total value of the transferred shares, or
- 22 percent of the gains realized on the transfer.

This is the case unless the withholding tax rate is reduced by a tax treaty between Korea and the other contracting state.

However, capital gains generated from transfer of listed shares for which the shareholding percentage was less than 25 percent during the year in which the transfer occurred and the previous 5 years will be exempt from taxation.

All tax rates specified above includes ten percent of local income tax.



Holding rules

Dividends received from domestic subsidiaries

Dividends are generally taxable under corporate income tax.

However, in order to prevent double taxation, dividend received deductions ("DRD") are available if certain requirements are met. The DRD is available for dividend income received by a Korean resident company from another Korean company. The DRD ratio ranges from 30 percent to 100 percent and varies depending on whether the parent company is a qualified holding company under Korean law and the ownership percentage of the parent. To apply DRD rates, only shares held for at least three months (as at the base date of dividend distribution) can be included in the application of the DRD rates. Deduction limits for a company receiving dividends are as follows:

Dividend from non-listed corporation		Dividend from listed corporation	
Shareholding	DRD	Shareholding	DRD
100%	100%	100%	100%
More than 50% , less than 100%	50%	More than 30%, less than 100%	50%
50% or less	30%	30% or less	30%

If a 'financial holding company' (as defined under the Financial Holding Company Law) or another 'holding company' (declared to the Korean Fair Trade Commission) receives a dividend from a subsidiary, the dividend will be deducted from the holding company's taxable income at the following rates:

Dividend from non-listed corporation		Dividend from listed corporation	
Shareholding	DRD	Shareholding	DRD
More than 80%	100%	More than 40%	100%
40% or more, 80% or less	80%	20% or more, 40% or less	80%
Less than 40%	30%	Less than 20%	30%



Dividends received from a foreign subsidiary

Dividends received from a foreign company are, in principle, subject to corporate income tax in Korea. However, the company receiving the dividends may be eligible for an indirect foreign tax credit for foreign income taxes paid by the foreign company in its country of residence in case where shareholding ratio of the foreign subsidiary is 25 percent or more for at least six months (as at the decision date of dividend distribution).

Tax Losses

Tax losses incurred on or after 1 January 2009 can be carried forward and used to offset up to 80 percent of taxable income earned during the subsequent ten years, starting from the immediate subsequent business year after the fiscal year the tax losses were incurred. Tax losses incurred on or before 31 December 2008, were only able to be carried forward for five years. However, some companies specified in Article 10 of the Enforcement Decree of the Corporate Income Tax Law (such as small and medium-sized companies specified in Tax Incentive Limitation Law and companies under rehabilitation or work-out plan etc.) are eligible to use the tax losses carried forward to offset 100 percent of taxable income.

In general, tax losses cannot be carried back. However, 'special carry back' rules exist under Article 2 of the Enforcement Decree of the Tax Incentive Limitation Law which can enable small and medium-sized companies to carry back losses to the preceding year.



Transfer of shares

Securities Transaction Tax

Securities Transaction Tax (STT) is imposed on transactions involving transfer of stocks as follows:

- Transfer of shares issued by Korean entities. However, shares issued by Korean entities which are listed on certain foreign securities markets shall not be subject to the STT.
- Transfer of shares issued by foreign entities which are listed on the Korean security markets. Unlisted foreign shares are not subject to STT.

The STT is levied on the sellers. If the seller is a non-resident or a foreign entity, the buyer should withhold and remit the tax to the tax authorities on behalf of the seller within two months from the end of the quarter in which the share transfer transaction takes place.

The STT is, in principle, levied at 0.5 percent, however, special rates may apply in the following cases:

- Stocks transferred on the KOSPI stock market: 0.15 percent (additionally, this case is subject to special rural development tax at 0.15 percent)
- Stocks transferred on the KOSDAQ or KONEX stock market: 0.3 percent
- Other: 0.5 percent

If the transfer price is lower than the fair market value in the case of a related-party transaction, the fair market value would be used as the tax basis for STT purposes.



Capital Gains Tax

Capital gains/losses of a resident corporation are included in its taxable income and taxed at the standard corporate income tax rates (see page 1).

Resident individual shareholders

Capital gains tax is levied when shares are transferred by an individual shareholder as follows:

- shares in a listed company are transferred out of the securities market; or
- shares in an unlisted corporation are transferred; or
- shares held by major shareholders in a listed company are transferred on the securities market.

Capital gains tax is levied on the transfer of stocks at 22 percent. If transferred or disposed of within 1 year from the purchase date by major shareholders (excluding small and medium sized company stock), capital gains tax of 33 percent will apply. For small and medium sized company stock (excluding held by major shareholders), the rate of capital gains tax is 11 percent. The above mentioned rates include a local income tax corresponding to 10 percent of the personal income tax due.

Resident corporate shareholders

Capital gains/losses are included in taxable income and taxed at the standard corporate income tax rates. For certain mergers that satisfy “proper merger” requirements, any tax liability that arises as the result of the merger will be flowed through to the surviving merged corporation.

Gains from treasury stocks are also taxable.

Acquisition Tax

No acquisition tax will be levied generally on transfers of shares. An exception to this rule will apply if the company (private company) has certain statute-defined underlying assets (e.g. land, buildings, structures, vehicles, certain equipment, and various memberships) that are subject to acquisition tax. If the investor and its affiliates collectively acquire, in aggregate, more than 50 percent of the shares in the target company, they will be “deemed” to have indirectly acquired those taxable properties through the share acquisition, and will therefore be subject to acquisition tax at a rate of either 2 percent or 2.2 percent based on the asset type.

Transfer of assets

Capital Gains Tax

Individual

In case of individuals, the capital gains tax rate on the disposal of land and buildings varies from 11 percent to 55 percent depending on the holding period and type of property. However, transfers of unregistered land and buildings are subject to a 77 percent rate of capital gains tax. The above mentioned tax rates include local income tax which is 10 percent of the personal income tax rate.

Corporation

Capital gains/losses are included in taxable income and taxed at the standard corporate income tax rates. However, transfers of villas or idle lands (except when they were acquired during the period from March 16, 2009 to the end of 2012) are subject to 11 percent (or 44 percent for unregistered) in addition to the standard corporate income tax rates. For certain mergers that satisfy "proper merger" requirements, any tax liability that arises as the result of the merger will be flowed through to the surviving merged corporation.

Acquisition Tax

Acquisition tax shall be imposed on a person who has acquired certain property or rights. Tax rates depend on the property acquired, acquisition methods and location of the asset.

CFC rules

In the case where 10 percent or more of the issued shares in a foreign company are directly or indirectly owned by a Korean resident, and the average effective income tax rate of the foreign company for the most recent three consecutive years is 15 percent or less, the Korean resident is deemed to have received a dividend of an amount equal to "deemed distributable retained earnings" multiplied by the shareholding ratio (even if there has been no actual distribution of such retained earnings to the Korean resident).

The deemed dividend amount is the total distributable retained earnings, adjusted by items such as previous deemed dividend amounts (taxable to the Korean parent company), mandatory reserves and gain/loss on share valuation. The CFC income will be included in the taxable income of the Korean parent company in the tax year to which the 60th day after the CFC's fiscal year end belongs.



Transfer Pricing

Transaction with non-resident related parties

Under Korean tax law, the tax authority has the ability to adjust a transfer price and recalculate a resident's taxable income when the transfer price used between a Korean company and its foreign related-party differs from the arm's length price. The arm's length price should be determined by the most reasonable method applicable to the situation.

A taxpayer is required to submit a summary income statement for foreign related party transactions to the tax authority alongside its annual tax return. Also, regarding Base Erosion and Profit Shifting, domestic company and Korean permanent establishment of foreign company (of which sales volume is more than KRW 100 billion and annual transaction volume with foreign related parties is more than KRW 50 billion) should submit master file and local file with its annual tax return. In addition, the tax authority may request supporting documentation for related party transactions.

A resident may file an application with the National Tax Service (NTS) for approval to use a transfer pricing method (TPM) for a particular period. The application should be made no later than the last day of the first taxable year for that period. The NTS may grant approval for the TPM if the NTS and the government of the counter country agree a mutual agreement procedure and the applicant consents to the mutual agreement between the two countries.

Residents may also choose to submit an Advanced Pricing Agreement (APA), if determined necessary.

Transaction with domestic related parties

Taxing authorities may assume that the prices used in related party transactions are not market price and recalculate the profits based on the market prices. In cases where a taxpayer has unrightfully decreased or transferred its profit to a related party by transacting the goods, services or capital at below or above the market price, the taxing authorities would impose the relevant taxes based on market prices.

Thin Capitalisation

In the case where a Korean company borrows from its foreign controlling shareholders an amount greater than two times its equity (2:1 debt to equity ratio in general or 6:1 in the case of financial institutions), interest payable on the excess portion of the borrowing is characterised as a dividend. The article on dividends in a relevant tax treaty (if any) applies.

General Anti-avoidance

Korean tax law contains a substance over form rule that allows the tax authority to re-characterise a transaction based on its substance.

Where the tax burden of a company has been unjustly reduced through transactions with related parties, the tax authorities may recalculate the income amount of the concerned company based on the fair market value that would have been established between independent companies engaged in similar transactions under comparable circumstances.



Anti-treaty shopping

To resolve treaty shopping problems, the Korean government has tried to re-negotiate with several countries that have a tax treaty with Korea. The tax treaty with Malaysia (in 2011), Austria (in 2011), Switzerland (in 2012), Poland (in 2012), India (in 2014), Vietnam (in 2014), Turkey (in 2015), Czech (in 2016), have been renegotiated (*Source: Press releases of Ministry of Strategy and Finance*).

New provisions have been established which provide that the application of a tax treaty is not allowed if there is suspicion of treaty shopping. The Korean government has agreements with other countries for the exchange of information, including tax and finance information.

Other specific anti-avoidance rules

None

Rulings

There are two types of rulings available – letter rulings and advanced rulings.

Letter Ruling: A process where the National Tax Service (NTS) or the Ministry of Strategy and Finance responds by letter to an enquiry made (by a taxpayer) regarding their interpretation on tax laws. The letter rulings are made publicly available on the NTS website.

Advance Ruling: An advance income tax ruling is a written statement given by the NTS to a taxpayer stating how the NTS will interpret and apply specific provisions of existing income tax law to a definite transaction or transactions which the taxpayer is contemplating. Full disclosure by the taxpayer is required as part of the process. Advance rulings are made publicly available on the NTS website.

R&D Incentives

Various types of tax credits and exemptions are available to stimulate R&D activities including:

- Tax credits for research and human resources development expenses
- Special taxation for contributions to research and development
- Tax credits for investment in facilities for research and manpower development
- Special taxation for acquisition cost of technology
- Reduction of or exemption from corporate tax (e.g. for high-tech enterprises moving to special research and development zones)



Other incentives

Korea has tax incentives aimed at attracting investment from abroad including:

- Tax reduction and exemption from corporate income tax, acquisition tax and property tax
- Exemption from customs duties and value added tax
- Exemption from tax on technical license royalties

Hybrid Instruments

Corporate Tax Act treatment: The law does not provide clear regulations on the classification of hybrid instruments. However, related authoritative interpretations view hybrid instruments that are issued in the form of bonds according to commercial law as liabilities.

Hybrid entities

The concept of a hybrid entity does not exist in Korea and there is no specific tax regime. However, a partnership will be viewed as a transparent entity in Korea and may be viewed as a corporation in another jurisdiction. Therefore, a partnership could be a hybrid entity.

Under Korean tax law, specifically the provision of “Special Taxation for Partnership Firms”, tax is exempt at the level of the partnership firm, but each partner is subject to pay and file taxes on earned income distributed from the partnerships firm. If the partner is a non-resident, income distributed from the partnership firm will be subject to withholding tax in Korea.

Domestic entities should report their eligibility for the special tax provision as partnerships:

- When the partnership is first established, the applications should be made within one month as from the beginning of the first taxable year.
- When the existing entity transforms into partnership, the applications should be made before the beginning of the taxable year in which they intends to be subject to special taxation. In this case, quasi-liquidated income should be paid within three months of the closing of the taxable year, in which they intends to be subject to special taxation.

In addition, the domestic corporation is required to remit any resulting tax on the deemed disposition in three annual instalments.

Special tax regimes for specific industries or sectors

The rules for calculating the income amount and claiming tax deductions vary significantly between industries.



Related Business Factors

Forms of legal entities typically used for conducting business

A corporation is the typical legal entity used in Korea for conducting business. For holding purposes, businesses may use a statutorily defined 'holding company' or an ordinary corporation.

A foreigner may conduct business in Korea by establishing a local entity, carrying on the business as an individual, or a foreign corporation may establish a branch or business office in Korea.

Capital requirements for establishing a legal entity

The minimum capitalization required to register as a foreign invested company is KRW 100million.

The minimum capitalization required to establish a statutory holding company is:

- i) Assets more than KRW 100 billion; and
- ii) 50 percent or more of assets consist of shares in subsidiaries.

There is no restriction on an investment amount in case of a local branch of a foreign company.

Other local requirements for establishing a legal entity

A statutory holding company cannot have a debt to equity ratio exceeding 200 percent.

Where a foreign investor establishes a local company in Korea, the foreign investment must be reported and registered before and after the local company is established.

Foreign exchange control rules

In order to incorporate a legal entity (e.g., branch or a subsidiary of a foreign entity) in Korea, the entity is required to file with the foreign currency exchange bank.

Accounting and reporting

Listed companies and financial institutions must prepare financial statements in accordance with Korean International Financial Reporting Standards (here-in-after K-IFRS). However, other companies could prepare financial statements in accordance with K-IFRS or K-GAAP.

Companies that are subject to annual corporate income tax returns must submit their financial statements when filing their corporate income tax returns. If not, the tax return filing will not be accepted, and the entity will be subject to non-compliance penalties.



2 Income Tax Treaties for the Avoidance of Double Taxation

In Force

Albania	Finland	Malaysia	Singapore
Algeria	France	Malta	Slovak Republic
Australia	Gabon	Mexico	Slovenia
Austria	Germany	Mongolia	South Africa
Azerbaijan	Greece	Morocco	Spain
Bahrain	Hungary	Myanmar	Sri Lanka
Bangladesh	Iceland	Nepal	Sweden
Belarus	India	Netherlands	Switzerland
Belgium	Indonesia	New Zealand	Thailand
Brazil	Iran	Norway	Tunisia
Bulgaria	Ireland	Oman	Turkey
Canada	Israel	Pakistan	Ukraine
Chile	Italy	Panama	United Arab Emirates
China	Japan	Papua New Guinea	United Kingdom
Colombia	Jordan	Peru	United States
Croatia	Kazakhstan	Philippines	Uruguay
Czech Republic	Kuwait	Poland	Uzbekistan
Denmark	Kyrgyz	Portugal	Venezuela
Ecuador	Laos	Qatar	Vietnam
Egypt	Latvia	Romania	
Estonia	Lithuania	Russia	
Fiji	Luxembourg	Saudi Arabia	



* Agreement of information exchange including tax, finance etc. with Cook Islands, Marshall Islands, Bahamas and Bermuda

**Negotiated, not yet in force at
time of publication**

New treaties and protocols have been negotiated with below countries, but at the time of writing are not yet in force.

Brunei, Ethiopia, Georgia, Hong Kong, Kenya, Nigeria, Serbia, Sudan, Tajikistan, Turkmenistan

Source: Ministry of Strategy and Finance



3 Indirect Tax

Indirect Tax	Value Added Tax (VAT)
Standard Rate	The standard rate of VAT is 10 percent. Exports are zero-rated and certain items are VAT-exempt.
Further information	For more detailed indirect tax information, refer to: <u>KPMG's 2016 Asia Pacific Indirect Tax Guide</u>



4 Personal taxation

Income Tax

A resident is liable to tax on all taxable income from domestic and foreign sources, and a non-resident is liable to tax on Korean sourced income only.

Top Rate

The top personal tax rate in Korea is 41.8 percent (including a local income tax corresponding to 10 percent of the personal income tax due), and this rate applies to taxable income in excess of KRW 150million.

Social Security

Korea's social security system comprises four plans:

- National pension plan in which the contribution of 9 percent is split equally between the employer and employee;
- National health insurance in which the contribution of 6.5209 percent is shared equally between the employer and employee;
- Industrial accident compensation insurance in which the entire contribution of 0.7 percent to 34 percent (depending on the employer's industry) is borne by the employer;
- Employment insurance which is split between 'unemployment' (of which the contribution of 1.3 percent is shared equally between the employer and employee), and 'employee ability development premium' (of 0.25 percent to 0.85 percent which is borne entirely by the employer).

Further information

For more detailed personal taxation information, refer to:

[KPMG's Thinking Beyond Borders](#)



International Social Security Agreements

As of June 2016, Social Security Agreements with a total of 29 countries have entered into force:

Australia	Denmark	Japan	Sweden
Austria	France	Mongolia	Turkey
Belgium	Germany	Netherlands	United Kingdom
Bulgaria	Hungary	Poland	United States
Brazil	India	Romania	Uzbekistan
Canada	Iran	Slovak Republic	
China	Ireland	Spain	
Czech Republic	Italy	Switzerland	

Signed but not entered into force: Philippines, Chile, Finland

Source: Ministry of Foreign Affairs, National Pension Service



5 Other Taxes

Branch tax	<p>Branch tax of 20 percent (22 percent, inclusive of the 10 percent local income tax) of the adjusted taxable income of a Korean branch of a foreign corporation is payable.</p> <p>This rate may be reduced under a tax treaty and certain tax treaties provide complete relief from branch tax.</p>
Customs duty	<p>Goods imported into Korea are subject to customs duty. The amount of duty depends on the quantity and value of the goods imported.</p>
Stamp duty	<p>Stamp duty is levied on agreements in relation to the creation, transfer, or alteration of rights in respect of assets. If more than two parties enter into an agreement, the parties are jointly liable for the stamp duty.</p> <p>The amount of stamp duty imposed on each original document varies between KRW 50 and KRW 350,000.</p>
Acquisition tax	<p>Acquisition tax is imposed on a person who has acquired various assets or rights. Tax rates depend on the items to be acquired and acquisition method.</p>
Capital duty	<p>A capital registration tax of 0.48 percent including the local surtax is levied on the paid-in capital increase. If the company is incorporated in the Seoul Metropolitan area, it triples to 1.44 percent.</p>
Inheritance tax	<p>Property acquired through inheritance or bequest is liable to inheritance tax. Tax rates vary from 10 percent to 50 percent depending on the fair market value of inherited properties.</p>
Gift duty	<p>A donee is liable to pay gift tax on all gifted properties. Tax rates vary from 10 percent to 50 percent depending on the fair market value of gifted properties.</p>

6 Free Trade Agreements

In force

Chile	India	Singapore	Turkey
European Union	Peru	United States	Australia
Canada	China	New Zealand	Vietnam
ASEAN -			
Brunei Darussalam	Lao	Philippines	Thailand
Cambodia	Malaysia	Singapore	Vietnam
Indonesia	Myanmar		
EFTA – Korea Free Trade Agreement -			
Iceland	Norway		
Liechtenstein	Switzerland		

Concluded / signed (pending domestic ratification)

Colombia	Turkey
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In negotiation

China – Japan - Korea	Indonesia	Ecuador	Israel
Japan	Mexico	GCC	
Central America			
Regional Comprehensive Economic Partnership –			
ASEAN	China	Japan	New Zealand
Australia	India	Korea	

Source: Ministry of Foreign Affairs and Trade



7 Tax Authority

Tax Authority

National Tax Service (NTS)

[Link to National Tax Service](#)

Tax audit activity

NTS conducts periodic audits at a fixed four year intervals for large enterprises (whose annual revenue is KRW 500 billion or more), and five year (or longer) intervals for small and medium enterprises.

However, targeted or special audit investigations can be performed at any time.

Key focus areas for the tax authority in tax audits conducted in recent years have included:

- Transfer pricing
- Offshore tax evasion
- Inclusion of expenses without supporting evidence
- Intelligent tax evasion through equity transactions, such as mergers and splits
- Unreasonable lending through the acquisition of treasury stock
- Application of an unreasonable tax deduction or exemption
- Taking a foreign tax credit which exceeds the creditable amount of foreign taxes

Appeals

Pre-notification of tax assessment (before final tax notice)

A taxpayer may file an objection to the tax review results or income tax assessment within 30 days from the date of receipt of the notice. Upon receipt of objection, the Tax Commission will deliberate, and the Commissioner shall notify the result to the taxpayer within 30 days.

Tax appeal (after tax notice)

Step 1: There are four remedies available before filing an administrative litigation as follows:

- Objection: to be filed with the District Tax Office or a commissioner of the regional NTS
- Appeal for review: to be filed with the NTS
- Appeal to Tax Tribunal: to be filed with the Tax Tribunal of the Prime Minister's office
- Appeal for review by the Board of Audit and Inspection: to be filed to the Board of Audit and Inspection

The aforementioned remedies should be filed within 90 days from the date of receipt of the notification or the date a taxpayer becomes aware of the imposed tax. The organisation where the remedy is filed shall notify the result to the taxpayer within 30 days for an objection; 90 days for an appeal for review and appeal to tax tribunal; and three months for an appeal for review by the Board of Audit and Inspection.

Step 2: If no remedy results from Step 1, an administrative litigation can be filed, and the relevant document shall be submitted to the court within 90 days from the date of receipt of the result.

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