

# Foreigners' Real Estate Acquisition

## 1. Regulations on Foreigners' Real Estate Acquisition

Real estate acquisition by foreigners in Korea is governed by the Act on Report on Real Estate Transactions, Etc. ("foreigner, etc." under this Act), the Foreign Investment Promotion Act, the Foreign Exchange Transactions Act, etc. With the exception of certain real estates that require government permission for purchase, a foreigner, etc. may acquire land in Korea by following certain procedures and reporting the acquisition to the appropriate authorities. It should be noted that different acquisition procedures apply to land subject to permission and land subject to reporting. The same regulations and restrictions on the acquisition, use and development of real estate apply to both Koreans and foreigners.

- Act on Report on Real Estate Transactions, Etc.
- Foreign Investment Promotion Act
- Foreign Exchange Transactions Act
- Land-Related Regulations

### < Laws Related to Foreigners' Real Estate Acquisition >

Law	Act on Report on Real Estate Transactions, Etc.	Foreign Investment Promotion Act	Foreign Exchange Transactions Act
Applicable parties	• Foreigner, etc. (individuals, foreign corporations, domestic corporations with foreign shareholdings of 50% or more)	• Foreigners (individuals, foreign corporations, permanent residents, international organizations for economic cooperation, etc.)	• Non-residents
Key regulations	• Real estate acquisition notification: For notifying the acquisition of domestic real estate by a foreigner, etc.	• Foreign investment notification: For notifying foreign direct investment as stipulated in the regulations	• Property acquisition notification: For notifying non-residents' acquisition of rights related to domestic real estate (right to lease on a deposit basis, mortgage, etc.)
Where to report	• Si/Gun/Gu office having jurisdiction over the land	• Foreign exchange bank, KOTRA	• Foreign exchange bank
Reporting period	• Within 60 days of concluding a contract	• Prior to bringing in investment funds	• When withdrawing real estate acquisition funds
Governing authority	• The Ministry of Land, Infrastructure & Transport	• The Ministry of Trade, Industry & Energy	• The Ministry of Strategy and Finance

## 1-1 Act on Report on Real Estate Transactions, Etc.

Under the Act on Report on Real Estate Transactions, Etc., a foreigner, etc. should report or obtain permission for the acquisition of real estate, etc. (i.e., real estate or the right to acquire real estate) in Korea. The Foreign Exchange Transactions Act (foreigners, etc. are referred to as “non-residents” in the Act) also stipulates that where a foreigner, etc. acquires real estate or rights pertaining to real estate in Korea, such acquisition should be reported to the relevant authorities.

### Special cases concerning the acquisition of real estate by a foreigner, etc.

Where a foreigner, etc. has concluded a contract for acquisition of real estate, etc. in Korea, he/she/it should report the contract to the mayor (referring to mayors in cities without any Gu(district)s, and mayors of special autonomous cities and special autonomous administrative cities), county (Gun) governor, or head of the relevant Gu office. However, in the case of real estate sales contracts prepared by a practicing licensed real estate agent under Article 2 Subparagraph 4 of the Licensed Real Estate Agents Act, the real estate agent concerned should file a report.

When a foreigner, etc. acquires real estate in Korea by means other than a contract, such as inheritance or auction, he/she/it should report the fact to the mayor, county governor or head of the relevant Gu office within six months of acquiring the said real estate.

#### <Real Estate Acquisition and Ownership by a Foreigner, etc. to be Reported>

Classification	Contract-based acquisition	Non-contract-based acquisition	Report of continuous land ownership
Acquisitions to be reported	Acquisition of real estate, etc. by a foreigner, etc. through contract (excluding real estate requiring approval for acquisition)	Real estate acquisition by a foreigner, etc. through inheritance, auction, exercise of repurchase pursuant to the Act on Acquisition of and Compensation for Land, etc. for Public Works and other related laws, irrevocable judgement by the court, corporate mergers, etc.	Where ownership of real estate in Korea is transferred from a Korean national or a corporation or organization established pursuant to Korean laws to a foreigner, etc., and the foreigner, etc. intends to maintain ownership of the real estate concerned
Reporting Period	Within 60 days of the contract conclusion date (i.e. the date when the contract is drawn up)	Within six months of the date of real estate acquisition through the following means: <ul style="list-style-type: none"> <li>• Inheritance - Date of the inheritee's death</li> <li>• Auction - Date on which the price of a successful bid is fully paid</li> <li>• Repurchase - Repurchase contract date or repurchase amount deposit date</li> <li>• Irrevocable court judgement - Date of irrevocable judgement</li> </ul>	Within six months of the date on which ownership has been transferred to a foreigner, etc.
Where to report	Si/Gun/Gu office having jurisdiction over the acquired land	Si/Gun/Gu office having jurisdiction over the acquired land	Si/Gun/Gu office having jurisdiction over the acquired land
Required documents	Copy of land acquisition contract, ID of agent and copy of ID of the foreigner concerned when reporting by agent	Documents certifying the means of acquisition other than contracts, ID <ul style="list-style-type: none"> <li>• Inheritance - Documents certifying ID of the inheritor</li> <li>• Auction - Decision on successful bid</li> <li>• Repurchase - Documents certifying repurchase</li> <li>• Irrevocable judgement - Written irrevocable judgement</li> </ul>	Certified copy of document certifying change of nationality, ID
Processing period	Immediately (within three hours)	Immediately (within three hours)	Immediately (within three hours)

## Permission for Land Acquisition

To acquire certain lands such as land in a military base or a military facility protection area, one must obtain permission by the city mayor, county (Gun) governor, or head of the relevant Gu office before signing a land acquisition contract. However, exceptions shall apply where permission to enter into a land transaction contract has been obtained for such lands.

### < Land Acquisitions Requiring Permission >

Category	Details
Areas requiring permission	<ul style="list-style-type: none"> <li>• Military facility and protection areas under Article 2 Subparagraph 6 of the Military Facility and Protection Act, and areas where land acquisition by a foreigner, etc. needs to be restricted for national defense purposes</li> <li>• Areas in which cultural heritage sites should be protected under the Cultural Property Act</li> <li>• Areas that should be conserved under the Natural Environment Conservation Act</li> <li>• Wild Life Protection Areas under the Wildlife Protection and Management Act</li> </ul>
Application period	Prior to conclusion of the contract
Permit institute	Si/Gun/Gu office having jurisdiction over the land
Required documents	Agreement between the contracting parties, personal ID of the contracting parties
Handling period	Within 15 days of filing an application for permission

## Penalty for Non-compliance

The Act on Report on Real Estate Transactions, Etc. has penal provisions for non-compliance, including a fine of up to KRW 3 million or KRW 5 million for persons who have signed a contract to acquire real estate, etc. but failed to report the acquisition, and a fine of up to KRW 1 million for persons who have acquired real estate by means other than a contract but failed to report the real estate acquisition or conclusion of a real estate contract. For land subject to permission for acquisition, if an acquisition contract is signed without obtaining permission, the contract shall be considered null and void, and the acquiring party may face imprisonment of up to two years or a fine of up to KRW 20 million.

## 1-2 Foreign Investment Promotion Act

The Foreign Investment Promotion Act allows exceptions for foreign-invested companies or operators of establishments built to improve the foreign investment environment regarding the sale and lease of government and public-owned properties, and permits lease or sale under negotiated contracts. When land is sold to a foreign-invested company and it is recognized that the purchaser is unable to pay for the land in lump sum, then the payment date may be postponed or the payment may be made in installments.

## 1-3 Foreign Exchange Transactions Act

When real estate transactions are accompanied by an inflow and outflow of foreign funds, the procedures specified under the Foreign Exchange Transactions Act on such flows shall apply to the transaction concerned. The Foreign Exchange Transactions Act's provisions on real estate transactions are described in the 'Transfer of Real Estate Transaction Funds' section.

## 1-4 Land-Related Regulations

Land-related regulations can be categorized into regulations on acquisition, usage and development. In principle, such regulations apply indiscriminately to Korean nationals and foreign nationals alike.

### Land Acquisition-Related Regulations

To conclude a contract on land located within an area subject to permission for acquisition according to the Act on Report on Real Estate Transactions, Etc., permission from the city mayor, county governor or head of the relevant Gu is required.

In principle, the Farmland Act prohibits the possession of farmland by anyone other than those using or planning to use farmland to manage his/her own agriculture. However, owning farmland of less than 1,000 m<sup>2</sup> for agricultural hobby or leisure purposes is permitted even if the agricultural land is not used for the owner's own agricultural management.

### Land Usage-Related Regulations

All land in Korea is divided into four categories according to its use, i.e., urban, managed, agricultural, and natural environment preservation, according to the National Land Planning and Utilization Act. Depending on the usage, there exist several restrictions on the permitted activities. Also, the Seoul Metropolitan Area Readjustment Planning Act divides the Seoul metropolitan area (Seoul, Incheon and Gyeonggi Province) into three areas (overconcentration control area, growth management area, and nature preservation area) and places restrictions on certain activities in each of the areas to resolve issues caused by the over-concentration of people and industries. Seoul is located within the overconcentration control area, and an overconcentration charge has to be paid to construct buildings for office use or sales, as well as public offices. There are also restrictions on the maximum capacity of any new construction and on the expansion of factories and schools. Details of major regulations can be checked through a confirmed land usage plan issued by the Si/Gun/Gu office having jurisdiction over the land.

#### ※ Overconcentration Control Areas in the Seoul Metropolitan Area

Seoul, Incheon (excluding Gangwha and Ongjin counties, Daegok-dong, Bulro-dong, Geumgok-dong, Oryu-dong, Wangil-dong, Dangha-dong, Wondang-dong, Incheon Free Economic Zone and Namdong Industrial Complex), Uijeongbu, Guri, Namyangju (Hopyeong-dong, Pyeongnae-dong, Ilpae-dong, Ipae-dong, Sampae-dong, Gaundong, Suseok-dong, Jigeum-dong and Donong-dong), Hanam, Goyang, Suwon, Seongnam, Anyang, Bucheon, Gwangmyeong, Gwacheon, Uiwang, Gunpo, and Siheung (excluding the Banwol Special Area).

#### ※ Overconcentration Charge Policy

- The overconcentration charge policy is implemented under the Seoul Metropolitan Area Readjustment Planning Act, which was established to ease overconcentration in the capital region and secure financial resources required for balanced regional development and the expansion of urban infrastructure. Currently, for the construction or expansion of large buildings within Seoul, 10 percent of the construction cost is imposed as overconcentration charge, and the rate can be adjusted to five percent depending on the area.
- Buildings subject to the policy: Buildings for business use with a total floor area of 25,000 m<sup>2</sup> or more; buildings for sales purposes with a total floor area of 15,000 m<sup>2</sup> or more; composite buildings with sales facilities covering a total floor area of 15,000 m<sup>2</sup> or more; and other composite buildings with a total floor area of 25,000 m<sup>2</sup> or more.

## 2. Foreigners' Real Estate Acquisition Procedures

The laws and procedures that apply to foreigners' acquisition of land in Korea differ depending on the purpose of acquisition, whether the foreigner is a resident or not, and whether the purchaser is an individual or a corporation. Where real estate is acquired for profit-making purposes (e.g., for lease), the foreign investment notification procedure should be completed in addition to real estate acquisition notification. Foreigners who are non-residents should notify real estate acquisition under the Act on Report on Real Estate Transactions, Etc. and complete another notification of real estate acquisition under the Foreign Exchange Transactions Act.

- Foreign-Invested Companies
- Resident Foreigners
- Non-Resident Foreigners
- Permanent Residents

### 2-1 Foreign-Invested Companies

When a foreigner establishes a domestic corporation (foreign-invested company) pursuant to the Foreign Investment Promotion Act to engage in profit-making activities in Korea and acquires real estate (e.g., purchasing office buildings, acquiring factory sites) under the name of the corporation concerned, the Act on Report on Real Estate Transactions, Etc., the Foreign Investment Promotion Act, and the Registration of Real Estate Act shall apply. However, the Foreign Investment Promotion Act shall not apply to the establishment of domestic branches; hence real estate can be purchased under the branch's name after notifying the branch's establishment to a foreign exchange bank and registering the branch.

#### < Land Acquisition Procedure for Foreign-Invested Companies >

Procedure	Relevant authority	Note
Foreign investment notification & registration	Head or branch office of a foreign exchange bank, KOTRA	
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Real estate acquisition contract and payment		
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Notification of land acquisition	Si/Gun/Gu office having jurisdiction over the real estate concerned	<ul style="list-style-type: none"> <li>• Report period: Within 60 days of the date of contract conclusion</li> <li>• Required documents: Real estate acquisition contract</li> </ul>
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Real estate registration	Competent registry office	<ul style="list-style-type: none"> <li>• Registration period: Within 60 days of concluding the contract (balance payment date)</li> <li>• Required documents: Certified copy of corporate registration (copy of alien registration card for individuals), application for registration, documents certifying reasons for registration (approved contract, etc.), registration certificate, certified copy of real estate registration</li> <li>* Application by an agent requires a letter of attorney signed by the delegating person.</li> </ul>

## 2-2 Resident Foreigners

Notification as specified in the Foreign Exchange Transactions Act is not necessary for real estate acquisition by resident foreigners, such as the purchase of a residential apartment or the acquisition of real estate by domestic branches of foreign corporations. Instead, it is necessary to register a transfer of ownership at the local Si/Gun/Gu office within 60 days of concluding the sales contract. In such cases, the Act on Report on Real Estate Transactions, Etc. and the Registration of Real Estate Act shall apply.

### < Land Acquisition Procedure for Resident Foreigners >

Procedure	Relevant authority	Note
Real estate acquisition contract and payment		
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Notification of real estate acquisition	Si/Gun/Gu office having jurisdiction over the real estate concerned	<ul style="list-style-type: none"> <li>• Report period: Within 60 days of concluding the contract</li> <li>• Required documents: Real estate acquisition contract</li> </ul>
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Real estate registration	Competent registry office	<ul style="list-style-type: none"> <li>• Registration period: Within 60 days of concluding the contract (balance payment date)</li> <li>• Required documents: Certified copy of alien registration (certified copy of branch office registration for branch offices), application for registration, documents certifying reasons for registration (approved contract, etc.), registration certificate, certified copy of real estate registration</li> </ul>

## 2-3 Non-Resident Foreigners

In principle, non-resident foreigners must first notify the acquisition of real estate to the head of a foreign exchange bank when bringing in funds for real estate acquisition, in accordance with the Foreign Exchange Transactions Act. Afterwards, real estate acquisition should be notified to the competent Si/Gun/Gu office and the transfer of ownership should be registered, in accordance with the Act on Report on Real Estate Transaction, the Foreign Exchange Transactions Act, and the Registration of Real Estate Act.

### < Land Acquisition Procedure for Non-Resident Foreigners >

Procedure	Relevant authority	Note
Real estate acquisition contract		
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Notification of real estate acquisition (Foreign Exchange Transactions Act)	Head or branch office of a foreign exchange bank	<ul style="list-style-type: none"> <li>• Reporting time: When withdrawing real estate acquisition funds</li> <li>• Required documents: Real estate acquisition contract, real estate appraisal report or publicly notified land price certificate, certified copy of real estate registration</li> <li>• Note                             <ul style="list-style-type: none"> <li>- The acquisition of rights to real estate (real right, right to lease, etc.) should be notified as well</li> <li>- To transfer the proceeds from the disposal of real estate overseas, the certificate of notification must be submitted to the remitting bank.</li> </ul> </li> </ul>

Procedure	Relevant authority	Note
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Payment		
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Notification of real estate acquisition	Si/Gun/Gu office having jurisdiction over the real estate concerned	<ul style="list-style-type: none"> <li>• Report period: Within 60 days of concluding the contract</li> <li>• Required documents: Real estate acquisition contract</li> </ul>
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Application for registration number for real estate registration	<ul style="list-style-type: none"> <li>• Individuals: Korea Immigration Service, Seoul branch</li> <li>• Corporations: Si/Gun/Gu office having jurisdiction over the real estate concerned</li> </ul>	<ul style="list-style-type: none"> <li>• Non-resident foreigner: Individuals <ul style="list-style-type: none"> <li>- Application institution: Korea Immigration Service, Seoul</li> <li>- Required documents: Certified copy of land acquisition report, copy of passport</li> </ul> </li> <li>• Non-resident foreigner: Corporations <ul style="list-style-type: none"> <li>- Application institution: Land registration department at the Si/Gun/Gu office having jurisdiction over the land concerned</li> <li>- Required documents: Certification of completion of land acquisition notification, corporate registration certificate and documents certifying the company's representatives and their addresses issued by authorities in the home country (including embassies in Korea)</li> </ul> </li> </ul> <p>* In the case of application by an agent, the personal ID of the agent and a letter of attorney notarized by a notary institution of the home country are required.</p>
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Real estate registration	Registration office having jurisdiction over the real estate concerned	<ul style="list-style-type: none"> <li>• Registration period: Within 60 days of concluding the contract (balance payment date)</li> <li>• Required documents: Certificate of address, registration certificate for real estate registration, application for registration, certificate of registration title, certified copy of real estate registration, documents certifying reasons for registration (approved contract, etc.)</li> </ul> <p>* Application by an agent requires a letter of attorney notarized by a notary institution of the home country.</p>

## 2-4 Permanent Residents

Permanent residents hold the nationality of the Republic of Korea and are treated equally as Korean nationals. In this regard, they are exempted from notifying real estate acquisition under the Foreign Exchange Transactions Act regardless of whether they reside in Korea. Permanent residents' real estate acquisition is governed by the Act on Report on Real Estate Transactions, Etc. and the Registration of Real Estate Act.

**< Real Estate Acquisition Notification Procedure for Permanent Residents >**

Procedure	Relevant authority	Note
Real estate acquisition contract and payment		
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Notification of real estate acquisition	Si/Gun/Gu office having jurisdiction over the real estate concerned	<ul style="list-style-type: none"> <li>• Notification period: Within 60 days of the date of contract conclusion</li> <li>• Required documents: Real estate acquisition contract</li> </ul>
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Application for registration number for real estate registration (when the certificate of resident registration is cancelled)	Seoul Central District Court	<ul style="list-style-type: none"> <li>• Required documents: Certificate of address or certificate of Korean residency (or certificate of registration as Korean national residing abroad)</li> </ul>
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Real estate registration	Registration office having jurisdiction over the real estate concerned	<ul style="list-style-type: none"> <li>• Registration period: Within 60 days of concluding the contract (balance payment date)</li> <li>• Required documents: Certificate of address or residence, application for registration, documents certifying reasons for registration (approved contract, etc.), registration certificate, certified copy of real estate registration, etc.</li> <li>* Certificate of address: Certificate of overseas residency issued by a diplomatic mission abroad</li> <li>* Application by an agent requires a letter of attorney signed by the delegating person</li> </ul>

### 3. Transfer of Real Estate Transaction Funds

Under the Foreign Exchange Transactions Act, funds for real estate transactions are largely divided into funds carried in or remitted from abroad, and funds generated domestically. When making a real estate transaction with funds carried in or remitted from abroad, both the carrying in of funds for real estate purchase and the carrying out of funds from real estate sales by either residents or non-residents are guaranteed. However, when carrying out funds from the sales of real estate purchased using funds generated domestically, the Governor of the Bank of Korea should be notified.

- Foreign-Invested Companies & Domestic Branches of Foreign Companies
- Resident Foreigners
- Non-Resident Foreigners



### 3-1 Foreign-Invested Companies & Domestic Branches of Foreign Companies

Foreign investors planning to register a foreign-invested company may bring in funds for real estate purchase after notifying foreign investment, and may register the foreign-invested company after all the preparatory procedures such as real estate acquisition have been completed. Domestic branches of foreign companies may bring in funds through a designated foreign exchange bank in the form of operating funds to purchase real estate.

Funds for real estate acquisition are not always remitted from abroad, but are often supplied from the capital of the foreign-invested company or from the operating funds of the domestic branch. Hence, funds generated by real estate transactions frequently take the form of capital reductions or dividends for foreign-invested companies and operating revenue for the domestic branch. The domestic branches of foreign companies are not allowed to reduce their operating capital, except to close a branch and remit the liquidated funds abroad.

### 3-2 Resident Foreigners

When resident foreigners purchase real estate for residence or non-profit purposes, they may bring in purchasing funds and acquire domestic real estate without going through notification procedures as prescribed by the Foreign Exchange Transactions Act.

Overseas remittance of the proceeds from the sale of real estate acquired with funds carried in or remitted from abroad (including funds deposited in external accounts) requires a notification to the head of a foreign exchange bank with documents certifying payment attached. However, the purchase of real estate from funds generated domestically requires a notification to the governor of the Bank of Korea.

### 3-3 Non-Resident Foreigners

In principle, non-resident foreigners should notify real estate acquisition to the head of a foreign exchange bank when bringing in funds to purchase domestic real estate for non-profit purposes, and the proceeds from the sale of the real estate can be carried out after notifying the head of a foreign exchange bank. However, if real estate acquisition had not been notified, a notification should be made to the governor of the Bank of Korea to carry out the proceeds from sale of the real estate.

## 4. Real Estate-Related Taxes

The tax rates on real estate vary at the purchasing, holding and sales stages: acquisition tax and value added taxes are imposed at the purchasing stage; property tax or composite real estate tax, which differs by region and property size, is levied at the holding stage; and transfer income tax and value added tax are imposed at the sales stage. Foreign-invested companies are entitled to various tax benefits in accordance with the Restriction of Special Taxation Act, etc.

- Purchasing Stage Tax
- Holding Stage Tax
- Sales Stage Tax

#### 4-1 Purchasing Stage Tax

Taxes levied at the purchasing (acquisition of real estate other than farmland by succession for value) stage of real estate include acquisition tax (4 percent of the acquisition price; 1-3 percent for housings) and value added tax (10 percent of the building acquisition price; entrepreneurs are entitled to deductions and refunds). Surtax on acquisition tax includes the special tax for rural areas and local education tax.

#### 4-2 Holding Stage Tax

At the holding stage, the property tax and local education tax (20 percent of property tax) are levied. However, for newly built or expanded factories in overconcentration control areas in the Seoul metropolitan area, five times the standard property tax is levied for five years.

When real estate held surpasses a certain value (KRW 600 million for houses, KRW 500 million for land subject to general aggregate tax, KRW 8 billion for land subject to special aggregate tax), composite real estate tax (0.5-2.0 percent of the tax base for houses, 0.75-2.0 percent of the general aggregate tax base for land, 0.5-0.7 percent of the special aggregate tax base for land) and the special tax for rural areas (20 percent of comprehensive real estate holding tax) are levied.

#### 4-3 Sales Stage Tax

At the sales stage, individuals pay transfer income tax (6-38 percent when the asset is held for two years or longer after registration) and local income tax (10 percent of the transfer income tax). Corporations are required to pay corporate income tax and local income tax (10 percent of the corporate income tax). However, the tax rate applied for individuals is: 70 percent for assets not yet registered; 40 to 50 percent for assets which have been held for less than one year after registration; and basic tax rate of up to 40 percent for assets which have been held for one year or longer and less than two years after registration. Also, value added tax (10 percent of the building transfer price) is imposed as well.

##### ※ Tax support for foreign-invested companies

- Acquisition tax, registration tax and property tax are reduced for real estate acquisition by industry-supporting service businesses and businesses accompanying high technologies under the Foreign Investment Promotion Act, and real estate acquisition within foreign investment zones.
- Benefits related to national housing bond purchase are provided for foreign-invested companies registered under the Foreign Investment Promotion Act with regard to permits for the construction of buildings for business purposes and the registration of business real estate. Those receiving tax benefits on foreign investments are granted full exemption, and foreign-invested companies are granted reductions in proportion to their investment ratio.

## &lt; Real Estate-Related Taxes &gt;

Stage	Tax items	Tax rate			
Acquisition and registration	Acquisition tax	Standard tax rate	<ul style="list-style-type: none"> <li>• 4.0% of the acquisition price (acquisition of real estate other than farmland by succession for value)</li> <li>※ Houses acquired by succession for value (acquired on or after Aug. 28, 2013): 1 to 3%</li> </ul>		
		Heavy taxation	<ul style="list-style-type: none"> <li>• Acquisition of real estate for the construction and expansion of factories in overconcentration control areas in the Seoul metropolitan area: 3 times the standard tax rate minus 2 times the heavy tax rate (2%)</li> <li>• Acquisition of real estate for use as the headquarters of companies in overconcentration control areas in the Seoul metropolitan area (limited to constructions and expansions): Standard tax rate + 2 times the heavy tax rate (2%)</li> <li>• Luxury assets such as vacation houses, golf clubs, luxury recreation facilities, luxury vessels and mansions: Standard tax rate + 4 times the heavy tax rate (2%)</li> </ul>		
		Abated	<ul style="list-style-type: none"> <li>• Abated for companies engaging in an industry supporting service business or a business accompanying high technology, companies operating in foreign investment zones or free economic zones</li> </ul>		
	Surtax	<ul style="list-style-type: none"> <li>• Special tax for rural areas, local education tax, etc.</li> <li>※ Stamp tax for certificate of real estate ownership transfer: KRW 20,000 to 350,000</li> </ul>			
	Value-added tax	<ul style="list-style-type: none"> <li>• 10% of the building acquisition price (deductible as input tax when operating a business)</li> <li>• Exempted when a house of 85m<sup>2</sup> or smaller is acquired</li> </ul>			
	National housing bond	<table border="1"> <tr> <td>Purchase amount</td> <td> <ul style="list-style-type: none"> <li>• For land with a standard market price of KRW 100 million or higher (5% of the standard market price in special cities and metropolitan cities; 4.5% in other regions)</li> </ul> </td> </tr> <tr> <td>Abated</td> <td> <ul style="list-style-type: none"> <li>• Bond purchase is exempted in proportion to the investment ratio when a business-purpose real estate is registered by a foreign-invested business (fully exempted in the case of businesses eligible for tax abatement)</li> </ul> </td> </tr> </table>	Purchase amount	<ul style="list-style-type: none"> <li>• For land with a standard market price of KRW 100 million or higher (5% of the standard market price in special cities and metropolitan cities; 4.5% in other regions)</li> </ul>	Abated
Purchase amount	<ul style="list-style-type: none"> <li>• For land with a standard market price of KRW 100 million or higher (5% of the standard market price in special cities and metropolitan cities; 4.5% in other regions)</li> </ul>				
Abated	<ul style="list-style-type: none"> <li>• Bond purchase is exempted in proportion to the investment ratio when a business-purpose real estate is registered by a foreign-invested business (fully exempted in the case of businesses eligible for tax abatement)</li> </ul>				
Ownership or holding	Property tax	Standard tax rate	<ul style="list-style-type: none"> <li>• Housings: 0.1-0.4% (4% in the case of vacation houses)</li> <li>• Buildings: 0.25-0.5% (4% in the case of buildings in golf clubs or luxury recreation facilities; 1.25% for five years in the case of factories newly built or expanded in overconcentration control areas)</li> <li>• Land: 0.2-0.5% in the case of land subject to inclusive taxation; 0.2-0.4% in the case of land subject to separate taxation; 0.07-0.2% in the case of land subject to separate taxation; and 4.0% in the case of land used for private membership golf clubs and luxury recreational facilities)</li> </ul>		
		Abated	<ul style="list-style-type: none"> <li>• Identical to the abatement of acquisition tax</li> </ul>		
		Heavy taxation	<ul style="list-style-type: none"> <li>• When a factory is newly built or expanded in overconcentration control areas: Five times the standard tax rate for five years</li> </ul>		
	Composite real estate tax	<ul style="list-style-type: none"> <li>• Houses (officially assessed land price exceeding KRW 600 million): 0.5-2.0% of the tax base</li> <li>• Land (inclusive aggregate price exceeding KRW 500 million or separate aggregate price exceeding KRW 8 billion): 0.75-2.0% of the tax base (inclusive aggregate), 0.5-0.7% of the tax base (separate aggregate)</li> </ul>			
Other surtax	<ul style="list-style-type: none"> <li>• Local education tax (20% of the property tax)</li> <li>• Special tax for rural areas (20% of the composite real estate tax)</li> </ul>				

Stage	Tax items		Tax rate
Sale	Individuals	Transfer income tax	<ul style="list-style-type: none"> <li>• Unregistered assets: 70%</li> <li>• Less than one year after registration: 50% (40% in the case of houses)</li> <li>• More than one year and less than two years after registration: 40% (basic tax rate for houses etc.: 6-38%)</li> <li>• More than two years after registration: 6-38% (progressive tax rate applied)</li> </ul>
	Corporations	Corporate income tax	<ul style="list-style-type: none"> <li>• Corporate income tax imposed on gains as included in non-operating income</li> <li>• An additional 10% corporate income tax (40% if not yet registered) is charged on the transfer income from the sale of houses (excluding rental housings, certain company-owned houses provided by employers) or non-business use land</li> </ul>
	Local income tax		• 10% of transfer income tax or corporate income tax
	Value-added tax		• 10% of the transfer price of buildings (collected from the transferee)

※ Since the tax base and tax rates are subject to change, it is advised to contact the National Tax Service (Call 82-126) or check related laws such as the Local Tax Act or Value Added Tax Act.