The following tax information is translated from Korean for foreign-invested companies, and is not legally binding.

Guide to filing global income tax return

For income attributable to 2017

Persons who should file a return
1. Resident: An individual with global income* incurred from Korea and abroad who has a domicile (place of sojourn) in Korea or has had a place of residence in Korea for 183 days or longer in Korea.
2. Non-resident: An individual who is not a resident and has global income among domestic-source income.

* Global income: The sum of interest income, dividend income, business income, wage & salary income**, pension income, and other income.
** In the case of wage & salary income subject to special taxation for foreign workers (Article 18-2 of the Restriction of Special Taxation Act), such income shall not be included in the global income tax base, and a flat tax rate of 19% shall apply instead.

Submission of return
1. Submission period: May 1-31, 2018
2. Business operators subject to confirmation of compliant filing who submitted a document confirming compliant filing: May 1-Jul. 2, 2018
3. Individuals who leave the country before the deadline for submission: A return for income attributable to 2017 and income generated from Jan. 1, 2018 through the date of departure should be filed until one day before the date of departure.

Service for foreign taxpayers
- English hotline (☎ 1588-0560)
- Individual income tax guide (English version to be posted in mid-May)
- Global Income Tax Return Form (English version)
  www.nts.go.kr/eng ➔ Resources ➔ Forms ➔ Individual Income Tax Return Form 40-1 or 40-4

Tax rate for income attributable to 2017

<table>
<thead>
<tr>
<th>Classification</th>
<th>Tax rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not over 12 million</td>
<td>6%</td>
</tr>
<tr>
<td>Over 12 million – Not over 46 million</td>
<td>720,000 won + 15% of the amount exceeding 12 million won</td>
</tr>
<tr>
<td>Over 46 million – Not over 88 million</td>
<td>5,820,000 won + 24% of the amount exceeding 46 million won</td>
</tr>
<tr>
<td>Over 88 million – Not over 150 million</td>
<td>15,900,000 won + 35% of the amount exceeding 88 million won</td>
</tr>
<tr>
<td>Over 150 million – Not over 500 million</td>
<td>37,600,000 won + 38% of the amount in exceeding of 150 million won</td>
</tr>
<tr>
<td>Over 500 million –</td>
<td>170,600,000 won + 40% of the amount in exceeding of 500 million won</td>
</tr>
</tbody>
</table>

* For information on amendments to tax laws regarding the raise in tax rates for global income attributable to 2018, refer to the February edition of Tax News.
Recent amendments to tax laws (1) - Submission of documents when reporting change in business registration matters (Newly inserted; Article 14 (2) of the Enforcement Decree of the Value Added Tax Act)

○ Before: When reporting a change in business registration matters such as change of type of business, there were no regulations on submission of related documents (e.g., copy of permit in the case where a permit is required according to law).

○ After: Where a business operator intends to change business registration matters due to change in type of business, etc., a new regulation requires the submission of a report of change of business registration matters in addition to the related documents under Article 11 (3) of the Value Added Tax Act.


Recent amendments to tax laws (2) - Exemption of submission of foreign investment related documents for foreigners staying in Korea for a short-term (Article 165-2 (1) of the Income Tax Act)

○ Before: Where a resident makes a foreign direct investment (FDI) under the Foreign Exchange Transaction Act or acquires overseas real estate or rights thereof, legal documents such as a statement of FDI and statement of investment in real estate should be submitted.

○ After: To ease taxpayers’ burden of having to submit taxation documents, the submission of foreign investment related documents has been exempted for short-term foreign residents*.

* Short-term foreign residents: A foreign resident who has had his/her domicile or place of residence for not more than five years in total from ten years before the end of the relevant taxable period (Article 3 of the Income Tax Act)

❖ Applied to tax base filed on or after Jan. 1, 2018

For more information, please contact the International Tax Resource Management Office of the National Tax Service (82-44-204-2873~74).