

Special Benefits Offered by IFEZ

Tax Reduction and Exemption

Incentives

Classification	Tax	Tax exemption and reduction period and rate	Conditions	
Foreign-invested resident companies of IFEZ	National taxes	Customs duties	Exempted for 5 years from the date of import declaration	Imported capital goods
	Local taxes	Acquisition tax	100% exempted up to 15 years based on the ordinance	Manufacturing: USD 10 million or more Tourism: USD 10 million or more Logistics: USD 5 million or more Healthcare service providers: USD 5 million or more R&D: USD 1 million or more
		Property tax	Tax break for 13 years pursuant to the Ordinance: 100% reduction for the first decade 50% reduction for the next three years	
Cash			<ul style="list-style-type: none"> •To be negotiated but at least 5% of FDI to be provided •Installation costs for production plants and research facilities and employment and education/ training subsidies (Condition) For companies with at least 30% foreign investment •To be determined by comprehensively assessing technologies serving as new growth engines, effects of technological transfers, scale of job creation, etc. 	
Financial support	Infrastructure		Roads, railroads, airports, ports, drainage systems, waste treatment facilities, etc. (Condition) 50% to be supported through government spending and 100% to be supported when approved by the IFEZ Committee	
	Support for foreign educational and research institutions		Installation preparation costs for foreign education and research institutions, initial operating expenses, construction costs, etc. (Condition) Assessment criteria, such as reputation and contribution to the nation's development, to be fulfilled	
	Rental costs, etc.		<ul style="list-style-type: none"> •Lease allowed for 50 years for national and public lands (the lease contract may be renewed within the contract period of 50 years) •Rental costs standing at 1% of the site price •Rental costs to be reduced or exempted by 50-100% for national and public lands •Purchasable at the actual development cost for national and public lands 	
Others	Easing of labor regulations		<ul style="list-style-type: none"> •Excluded from the obligation to prioritize hiring the disabled, men of national merit, senior citizens, and other specified disadvantaged groups in the labor market •Excluded from regulations concerning employment periods and target jobs of dispatched workers •Unpaid leave allowed, etc. 	
	Foreign exchange transactions		Direct ordinary transactions allowed between the concerned parties for amounts up to USD 10,000	
	Exemption from the application of the Seoul Metropolitan Area Readjustment Planning Act		<ul style="list-style-type: none"> •Excluded from limits of overconcentration control zones and growth management zones specified in the Seoul Metropolitan Area Readjustment Planning Act •Excluded from overconcentration charges, total-quantity regulations for population-concentrating facilities, and regulations for large-scale development projects 	

Project Developer

Taxes	Details	Conditions (investment amount, etc.)	
National taxes	Customs duties	Exempted for 5 years	Imported capital goods
Local taxes	Municipal tax/ Acquisition tax	100% exempted up to 15 years pursuant to the local government body's ordinances	Investment of the amount required for the exemption and reduction of corporate and income taxes for 5 years
	District tax/ Property tax	Tax break for 13 years pursuant to the Ordinance: 100% reduction for the first decade 50% reduction for the next three years	Investment of the amount required for the exemption and reduction of corporate and income taxes for 5 years or longer

※ All benefits are applied based on the current law.

※ Applicable Acts

Articles 16 and 25 of the Special Act on Designation and Management of Free Economic Zones

Article 121-2 (1) 2 (a), Article 121-2 (1) 2-2, Article 121-2 (1) 2-3, and Article 121-2 (12) 3 of the Restriction of Special Taxation Act

※ Corporate and income taxes (national taxes) were abolished as of January 1, 2019.