



Focus on

SAMJONG KPMG  
Highlights for Korean Tax  
Reform Proposals for 2022  
AUGUST 2022

## Highlights for Korean Tax Reform Proposals for 2022

### I . Introduction

On July 21, 2022, the Ministry of Economy and Finance (MOEF) announced tax reform proposals (“Tax Reform Proposal”) for 2022. The Tax Reform Proposal includes measures that would i) rationally reorganize tax systems in line with global standards and ii) rationalization and normalization of tax burdens with purpose to “revitalize capital markets” and “enhance public finance sustainability and improve public welfare”.

Also, the Tax Reform Proposal includes legislative proposals to adopt global minimum tax regimes, which are aligned with the Global Anti-Base Erosion Model Rules (Pillar Two) released by the Organization for Economic Cooperation and Development (OECD).

The government’s tax reform proposals will be pre-announced through a legislative notice from July 22 to August 8, 2022, followed by Secretary Meeting on August 18, 2022 and Council Meeting on August 23, 2022 and finalized with modifications before being submitted to the National Assembly on September 2, 2022.

In this newsletter, we summarized key features of the Tax Reform Proposal that could have any impacts to the clients as provided below.



## II. Highlights of Draft Tax Amendment in 2022

### Change in Corporate Income Tax Rates and Bracket

Corporate Income Tax (“CIT”) bracket changes as below:

- Maximum CIT rate dropped by 3%. (i.e. from 25% to 22%)
- Small to medium sized enterprises (“SMEs”) with taxable income up to KRW 500 million are eligible for a special 10% tax rate
- SMEs satisfying the following conditions are not subject to the special 10% tax rate:
  - SMEs with controlling shareholder owning more than 50% of the value or number of shares
  - SMEs in the real estate (leasing) business or deriving at least 50% of revenue from leasing income, interest or dividends

Taxable Base (KRW in millions)	Current	Proposed	
		10% (only for eligible SMEs)	20%
Up to 200	10%	10% (only for eligible SMEs)	20%
200 – 500	20%		
500 – 20,000	20%	22%	22%
20,000 – 300,000	22%		
Above 300,000	25%		

[Effective Date] The amendment will take effect for business years starting on or after January 1, 2023.

### Income Exclusion of Dividend Received from Foreign Subsidiary

Under the current Korean Corporate Income Tax Law (“CITL”), a domestic company would have to include dividends received from foreign subsidiary in its taxable income, subject to a normal CIT rate while it may claim a foreign tax credit for foreign tax paid overseas to the extent of a tax deduction limit. The Tax Reform Proposal introduced dividend income exclusion provision that would directly exclude dividends received from its foreign subsidiary.

- (Dividend subject to income exclusion): Dividend received by a domestic company from a foreign subsidiary
- (Condition Applicable to Foreign Subsidiary): Ownership interest of at least 10%\*, interest owned for at least 6 months as of the dividend payment date.

\* 5% ownership applies to foreign subsidiaries of domestic companies operating foreign resource development business



\*\* If the underlying source of dividend is from the foreign subsidiary’s reduction of capital reserve, income exclusion applies regardless of ownership requirement

- (Scope of dividend subject to income exclusion): Dividend sourced from current earnings, retained earnings and deemed dividends. However, dividend recognized due to application of CFC rules, dividend from hybrid financial products\*\*\* and dividend from investment companies (excluding private collective investment vehicles for institutional investors) are excluded from the above scope of dividends.

\*\*\* Payments treated as interest expense outside of Korea but regarded as dividend in Korea

- Income exclusion rate: 95%

[Effective Date] The amendment will take effect and apply to dividends received after January 1, 2023.

[Transitional Provision] Foreign tax credit provision will apply to dividend received prior to December 31, 2022.

### Revised Domestic Dividend Received Deduction (DRD)

Under the current CITL, the domestic dividend received deduction (“DRD”) ratio ranges from 30% to 100% depending on i) the ownership ratios per the type of corporation (i.e., holding company vs. other companies; and listed subsidiaries vs. unlisted subsidiaries) and ii) the ownership percentage held by a company in its domestic subsidiary paying dividends. Under the Tax Reform Proposal, the DRD ratio would be applied without consideration of the type of corporation.

Type	Current				Proposed	
	Others		Holding Company		Ownership %	DRD %
	Ownership %	DRD %	Ownership %	DRD %		
Listed Company	100%	100%	40~100%	100%	50% or above	100%
	30~100%	50%	30~40%	90%		
	Below 30%	30%	Below 30%	80%		
Unlisted Company	100%	100%	80~100%	100%	30~50%	80%
	50~100%	50%	50~80%	90%		
	Below 30%	30%	Below 30%	80%		

[Effective Date] The amendment will take effect and apply to dividends received after January 1, 2023.

[Transitional Provision] Taxpayer has option to apply the previous rule or the amended rule to dividends received in 2023 and 2024.

### Increased Net Operating Loss Utilization Rate

Under the current CITL (Article 13), utilization of tax net operating loss (“NOL”) is limited to 60% of



taxable income for the respective year. Under the Tax Reform Proposal, the limitation on utilization of tax NOL would increase from 60% to 80% of taxable income for the respective year (whereas the utilization limit for SME remains unchanged at 100% of taxable income).

Current	Proposed
Limitation on utilization of tax NOL <ul style="list-style-type: none"> <li>▪ General, consolidated, merged, spun-off, foreign corporation: 60% of taxable income</li> <li>▪ SMEs: 100% of taxable income</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tax NOL utilization ratio increased from 60% to 80%</li> <li>▪ SMEs: (Same)</li> </ul>

[Effective Date] The amendment will take effect for business years starting on or after January 1, 2023.

#### Expiration of Accumulated Earnings Reserve Tax

Under the Article 100-32 of the Tax Incentive Limitation Law (“TILL”), 20% additional tax applies with respect to excess corporate earnings reserve to facilitate the use of corporate retained earnings to fund facility investment and payroll increases. The Tax Reform Proposal did not extend the sunset date and would expire as scheduled at the end of December 2022.

In this regard, 20% additional taxation would not apply on excess corporate earnings reserve incurred after January 1, 2023.

#### Relaxation of Ownership Requirement for Tax Consolidation

Under the current CITL, tax consolidation is allowed for a parent company and its wholly controlled domestic subsidiary (i.e., 100% ownership). The Tax Reform Proposal expanded the requirements on tax consolidation from ownership of 100% to 90% or more.

Current	Proposed
Entities eligible to file a consolidated tax return: wholly controlled domestic subsidiary* by vote or value.  * ①Includes wholly owned domestic subsidiaries through indirect ownership. ②Excludes treasury stock; employee-owned shares and stock option must not exceed 5% of the outstanding shares	Domestic entities owned 90% or more (or through indirect ownership of 90% or more) by vote or value are eligible to be included in tax consolidation  * ①Includes domestic companies indirectly owned 90% or more through a domestic subsidiary owned 90% or more ② (Same)

[Effective Date] The amendment will take effect for business years starting on or after January 1, 2024.

## Introduction of Integrated Employment Tax Credit

Under the current Korean tax law, various tax credits and incentives with respect to employment are available but there are no unified or integrated standards for eligibility conditions, such as definitions of full-time employees, post-management requirements and etc.

In this regard, the Tax Reform Proposal introduced an integrated employment tax credits by integrating previous tax credits (tax credit for enterprises increasing jobs, social insurance, female employees with career interruption, employee converted to full-time, employees returning to their job after maternity leave) into a uniform employment tax credit system with a purpose to expand scope of credits, create jobs, and support underprivileged social classes. In addition, the scope of youth was expanded to be between 15 and 34 years (rather than between 15 and 29 years at present) to promote youth employment.

<b>Current</b>					<b>Proposed</b>																																														
<ul style="list-style-type: none"> <li>■ Tax credits for enterprises increasing jobs: Number of additional employees X tax credit per person</li> </ul>					<ul style="list-style-type: none"> <li>■ Eligibility: All business entities* *with the exception of businesses providing consumer services</li> </ul>																																														
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="3" style="padding: 5px;">Type</th> <th colspan="4" style="padding: 5px;">Tax Credit Amount Per Person (in KRW 10K)</th> </tr> <tr> <th colspan="2" style="padding: 5px;">SME (3 years)</th> <th rowspan="2" style="padding: 5px;">Middle - sized (3 years)</th> <th rowspan="2" style="padding: 5px;">Large-sized (2 years)</th> </tr> <tr> <th style="padding: 5px;">Metropolitan Area</th> <th style="padding: 5px;">Non-metropolitan Area</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Other full-time employees</td> <td style="padding: 5px;">700</td> <td style="padding: 5px;">770</td> <td style="padding: 5px;">450</td> <td style="padding: 5px;">-</td> </tr> <tr> <td style="padding: 5px;">Youth*, disabled, and seniors at least 60 years of age</td> <td style="padding: 5px;">1,100</td> <td style="padding: 5px;">1,200</td> <td style="padding: 5px;">800</td> <td style="padding: 5px;">400</td> </tr> </tbody> </table>					Type	Tax Credit Amount Per Person (in KRW 10K)				SME (3 years)		Middle - sized (3 years)	Large-sized (2 years)	Metropolitan Area	Non-metropolitan Area	Other full-time employees	700	770	450	-	Youth*, disabled, and seniors at least 60 years of age	1,100	1,200	800	400	<ul style="list-style-type: none"> <li>■ (Standard Tax Credit) Number of additional employees X tax credit per person</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="3" style="padding: 5px;">Type</th> <th colspan="4" style="padding: 5px;">Tax Credit Amount Per Person (in KRW 10K)</th> </tr> <tr> <th colspan="2" style="padding: 5px;">SME (3 years)</th> <th rowspan="2" style="padding: 5px;">Middle - sized (3 years)</th> <th rowspan="2" style="padding: 5px;">Large-sized (2 years)</th> </tr> <tr> <th style="padding: 5px;">Metropolitan area</th> <th style="padding: 5px;">Non-metropolitan area</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Other full-time employee</td> <td style="padding: 5px;"><b>850</b></td> <td style="padding: 5px;"><b>950</b></td> <td style="padding: 5px;">450</td> <td style="padding: 5px;">-</td> </tr> <tr> <td style="padding: 5px;">Youth*, the disabled, seniors at least 60 years of age, and career-interrupted female</td> <td style="padding: 5px;"><b>1,450</b></td> <td style="padding: 5px;"><b>1,550</b></td> <td style="padding: 5px;">800</td> <td style="padding: 5px;">400</td> </tr> </tbody> </table>					Type	Tax Credit Amount Per Person (in KRW 10K)				SME (3 years)		Middle - sized (3 years)	Large-sized (2 years)	Metropolitan area	Non-metropolitan area	Other full-time employee	<b>850</b>	<b>950</b>	450	-	Youth*, the disabled, seniors at least 60 years of age, and career-interrupted female	<b>1,450</b>	<b>1,550</b>	800	400
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<p>*Youth (as pursuant to the Decree): 15-29 years of age</p> <ul style="list-style-type: none"> <li>■ Tax credits for social insurance: Number of additional employees(SME) X employer’s social insurance premium X exemption rate (50~100%)</li> <li>■ Tax credits for middle-sized enterprises and SMEs re-employing career-interrupted female: Total wages for career-interrupted female X exemption rate (SME 30%/Middle-sized 15%)</li> <li>■ Tax credits for employee converted to full-time: Number of converted employees X tax credit per person (SME KRW10 million /Medium-sized KRW 7million) * Total number of full-time employees must not decrease</li> </ul> <p>Tax credits for wages paid to employees returning from maternity leave: Total wages for employees returning from maternity leave X exemption rate (SME 30%/Medium-sized 15%) *Total number of full-time employees must not decrease</p>					<p>*Youth (as pursuant to the Decree): 15-34 years of age</p> <ul style="list-style-type: none"> <li>- In case the number of full-time employees decreases within two years, recapture of tax credit claimed applies.</li> </ul> <ul style="list-style-type: none"> <li>■ (Additional tax credit) Number of full-time converted employees and employees returning from maternity leave) X tax credit per person (SME KRW 13 million /Middle-sized KRW 9million)</li> <li>- Tax credits claimed are recaptured if employment of the above- mentioned employees terminates within two years of the date of conversion or return.</li> </ul>																																														

[Effective Date] The amendment will take effect for business year starting from January 1, 2023.

[Transitional Provision] For 2023 and 2024, taxpayers have the option to apply either the current



rules in effect (for tax credits for enterprises increasing jobs and tax credits for social insurance) or the newly introduced integrated employment tax credit.

**Additional Supporting Document Requirement to Apply Tax Exemption Granted Under the Tax Treaty**

The Tax Reform Proposal introduced additional supporting document requirements (e.g., information on withholding agent, office in-charge, etc.) to apply non-taxation or tax exemption under the tax treaty.

Current	Proposed
<ul style="list-style-type: none"> <li>▪ Non-resident, foreign corporation’s application for non-taxation or exemption under the tax treaty:</li> </ul>	Procedural update made to the application for non-taxation or exemption under the tax treaty:
<ul style="list-style-type: none"> <li>○ (Procedure) Application form for non-taxation or exemption under the tax treaty must be submitted to the withholding agent→ submitted to the tax office</li> </ul>	<ul style="list-style-type: none"> <li>○ (Same)</li> </ul>
<ul style="list-style-type: none"> <li>○ (Required document) certificate of residency</li> </ul>	<ul style="list-style-type: none"> <li>○ (Additional document required): Formation documents of the foreign entity, documents related to Korean-sourced income, etc.</li> </ul>
<ul style="list-style-type: none"> <li>○ (Newly added)</li> </ul>	<ul style="list-style-type: none"> <li>○ (Procedural update): Commissioner of the tax office has the authority to change taxpayer’s position if conditions to qualify for tax exemption are not satisfied or information provided in the exemption application does not align with facts.</li> <li>○ The commissioner may request the taxpayer to provide additional documents if the documents submitted are inadequate to assess whether conditions to qualify for tax exemption are satisfied.</li> <li>○ Payor of income may request to non-resident or foreign corporation to provide supporting documents to apply for non-taxation or tax exemption of Korean-sourced income.</li> </ul>
<ul style="list-style-type: none"> <li>○ (Application for tax refund) Beneficial owners are eligible to apply for a tax refund within five years from the last day of the month of the original withholding</li> </ul>	<ul style="list-style-type: none"> <li>○ (Same)</li> </ul>
<ul style="list-style-type: none"> <li>○ (Required document) Non-taxation or exemption application form,</li> </ul>	<ul style="list-style-type: none"> <li>○ (Additional document required): Formation documents of the foreign</li> </ul>



certificate of tax residency	entity, documents related to Korean-sourced income, etc.
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[Effective Date] The amendments will take effect and apply to non-taxation or exemption applications filed after January 1, 2023.

### Expansion of Exemption Threshold to Submit International Transaction Related Information

Current	Proposed
<p>Exemption to submit information(*) related to international transactions:            (*) Information required to be submitted</p> <ul style="list-style-type: none"> <li>① Statement of international transactions,</li> <li>② Condensed income statement for related parties,</li> <li>③ Declaration of transfer pricing method</li> </ul> <p>Exempted from requirement to submit statement of international transactions if Master/local files are submitted</p>	<p>Expansion of the exemption threshold:</p>
	<p>(Added) Exempted from requirement to submit statement of international transactions if</p> <ul style="list-style-type: none"> <li>(i) the total amount of transactions of goods with foreign related party does not exceed KRW 500 million,</li> <li>(ii) the total amount of service transactions with foreign related party does not exceed KRW 100 million and</li> <li>(iii) the total amount of transactions of intangible assets with foreign related party does not exceed KRW 100 million</li> </ul>
<p>If the total amount of transactions of goods with foreign related party does not exceed KRW 1 billion and the total amount of service transactions does not exceed KRW 200 million: exempt from filing condensed income statement</p>	<p>(Added) Total amount of transactions of intangible assets with foreign related party does not exceed KRW 200 million</p>
<p>If any of the following applies, declaration of transfer pricing method does not need to be filed:</p> <ul style="list-style-type: none"> <li>(i) If the total amount of transactions of goods does not exceed KRW 5 billion and the total amount of intra-group service transactions does not exceed KRW 1 billion</li> </ul>	<p>(Added) Total amount of transactions of intangible assets does not exceed KRW 1 billion</p>
<ul style="list-style-type: none"> <li>(ii) If the total amount of transactions of goods with each foreign related party does not exceed</li> </ul>	



KRW 1 billion and the total amount of service transactions does not exceed KRW 200 million	(Added) Total amount of transactions of intangible assets with each foreign related party does not exceed KRW 200 million
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[Effective Date] The amendment will take effect for business years starting on or after January 1, 2023.

### Reduction of Securities Transaction Tax

Under the current Securities Transition Tax Law, securities transaction tax (“STT”) is levied for securities traded on KOSPI at a rate of 0.23% (inclusive of 0.15% special tax for rural development) and KOSDAQ. Under the Tax Reform Proposal, STT (inclusive of special tax for rural development) would be reduced as provided below.

	2022	2023-2024	2025 and onward
KOSPI	0.23%	0.20%	0.15%
KOSDAQ	0.23%	0.20%	0.15%

[Effective Date] The amendment will take effect and apply to transactions that occur after January 1, 2023

### Mitigation of Conditions to Issue Revised Import VAT Invoices

Under the VAT Law (“VATL”), issuance of revised import VAT invoice is allowed in limited circumstances (i.e., where an error in the import VAT invoice is found to be caused by a minor mistake of the importer, or where the importer proves that such error is not attributable to the importer). Thus, since revised import VAT invoices cannot be issued even if additional VATs are levied as result of customs audit, relevant input VATs cannot be credited against output VATs.

Under the Tax Reform Proposal, the conditions for issuance of revised import VAT invoice were significantly mitigated. As a result, issuance of revised import VAT invoice will be allowed in principle, except for the cases of under-report of VATs caused by gross negligence of taxpayers, such as, i) customs evasion, price manipulation, fictitious documents, destruction of documents, etc., pursuant to the Customs Act, or ii) repeatable errors in filing of VAT returns.

[Effective Date] The amendment will take effect and apply to transactions for which import VATs are revised after January 1, 2023

### Introduction of Purchaser-issued VAT Invoices

The VATL allows for a purchaser to issue VAT invoices for supply of VAT-leviable goods and services in case the supplier is unable to issue tax invoices, so that the purchaser can claim deduction for the related input VAT. However, the VATL does not allow a purchaser to issue VAT invoices for tax-free goods or services even if the supplier is unable to issue tax invoices and thus, the purchaser is unable to claim deduction for the related input VAT.





Under the Tax Reform Proposal, it is allowed that a purchaser of goods or services can issue VAT invoices upon confirmation by a district tax office, in case VAT invoices are not issued by a supplier for the supply of tax-free goods or services.

[Effective Date] The amendment will take effect and apply to supply of goods and services after July 1, 2023

#### Deletion of Sunset Date for Application of Flat Income Tax Rate to Foreign Employees

Under the TILL (Article 18-2), foreign expatriates and employees may be eligible for a flat tax rate of 19% on income earned in Korea during the first five years of employment if they start work no later than December 31, 2023. Under the Tax Reform Proposal, the existing five-year limitation period would be repealed and thus, foreign expatriates and employees may be eligible for a flat tax rate of 19% on income earned in Korea without any period limitation.

[Effective Date] The amendment will take effect and apply to income generated after January 1, 2023

[Transitional Provision] Applies to taxpayers currently applying and to those who previously applied the flat income tax rate

#### Extension of Income Tax Exemption Period for Foreign Engineers

Under the TILL (Article 18), foreign engineers or researchers are entitled to a 50% reduction in income tax on their employment income for five years from the first service year in Korea (or a 70% reduction for the first three years and a 50% reduction for the next two years for qualified engineers working for certain companies prescribed by the Korean tax law). Under the Tax Reform Proposal, the 50% reduction period would be extended from 5 years to 10 years.

[Effective Date] The amendment will take effect and apply to engineers who start to work in Korea for the first time after January 1, 2023

[Transitional Provision] The amendment also applies to engineers subject to the exemption as of January 1, 2023.

#### Two-year Postponement of Tax on Financial Investment Income

According to the current Individual Income Tax Law (“IITL”), tax on financial investment income on an aggregated basis derived and realized from financial investment products will be imposed on or after January 1, 2023. However, the Tax Reform Proposal proposed two-year postponement (effect date deferred to January 1, 2025) on application of tax on financial investment income.

In addition, under the Tax Reform Proposal, the taxation on income from virtual assets would also be postponed for two years to be effective on or after January 1, 2025.



## Extension of Retention Period for Offshore Transaction Documents

Under the National Tax Basic Law (Article 26-2 ①), from 2019, the general statute of limitation was extended from 5 years to 7 years for international and offshore transactions (i.e. transactions between domestic residents (including a transaction between a domestic resident and a domestic place of business of a foreign corporation), which involves transfer and lease of assets located overseas and services provided overseas).

Under the Tax Reform Proposal, in line with the above extended statute of limitation, the maintenance and retention period of books and records for international and offshore transactions was also extended from 5 years to 7 years. -

[Effective Date] The amendment will take effect and apply from January 1, 2023 when the retention period for book and accounting records is due.

## New Requirement to Maintain Transfer Pricing Related Documents Domestically

Under the Tax Reform Proposal, the National Tax Basic Law (Article 85-3 ①) introduced new requirement for taxpayers to keep and retain transfer pricing related documents in a domestic place with a purpose to prevent any tax avoidance by hiding relevant documents in a foreign place. The legislation of the related provision will also be introduced that a taxpayer is required to submit the documents in case the tax authority requests transfer pricing related documents (e.g., an organizational chart, work allocation table, copies involving asset sale and purchase agreements).

[Effective Date] The amendment will take effect and apply to transactions that occur after January 1, 2023

## Introduction of Global Minimum Tax Rule (BEPS 2.0 Pillar Two)

### 1. Overview

The 2022 Tax Reform Proposal introduced the domestic legislation which includes the Pillar 2 Model Rules. The Tax Reform Proposal, which is in line with the OECD's Pillar 2 Model Rules, indicates that the effective date of the rules will be January 1, 2024. The Korean MOEF indicated that technical details of Model Rules and Commentary and discussion result, such as safe harbor rule, etc., of the inclusive framework participated by 141 countries are planned to be included in the Enforcement Decree and Enforcement Regulation of the tax law in the next year.

The Proposal adopted the OECD Model rules including the followings.

- Income Inclusion Rule (“IIR”): If a multinational company is subject to an effective tax rate (“ETR”) lower than the Korean minimum tax rate (15%) in a specific jurisdiction, the company is required to pay the difference between the tax calculated at the lower ETR and the tax calculated at the 15% minimum tax rate.
- Undertaxed Payments Rule (UTPR): The draft rules include a ‘Supplementary rules for income inclusion’ which is known as the UTPR in the OECD Model Rules.

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- Exclusion of international shipping income: International shipping income and related qualifying international shipping incidental income are excluded from the Global Anti-Base Erosion (“GloBE”) income and loss calculation.
  - De minimis exclusion: When the jurisdiction meets the de minimis threshold (which will be the case when the average GloBE revenue and GloBE income or loss in the jurisdiction are below €10 million and €1 million, respectively), the ETR will not need to be calculated for that jurisdiction.

## 2. Timeline

The new tax rules in 2022 Tax Reform Proposal are proposed to be effective for tax years beginning on or after January 1, 2024.

The filing due date would be 15 months after the last day of the fiscal year. However, for the first year, the due date would be 18 months after the last day of the fiscal year.

If the fiscal year ends in December, the first year being subject to the new minimum tax rules would be the year 2024, and the first due date of the filing and payment would be due June 30, 2026.

## 3. Applicable taxpayers

This proposed rule would apply to multinational company groups whose consolidated revenue is €750 million or more in two or more of the last four fiscal years.

In principle, the ultimate parent company (at the time of preparing the consolidated financial statements) is subject to pay any tax owed. Partially owned intermediate companies (e.g., a third party that directly or indirectly owns 20% or more), would be liable for their own portion of the tax payment, if applicable.

The following entities are excluded from the definition of a constituent company:

- Government agencies, international organizations, non-profit organizations, and pension funds
- Investment funds and real estate investment schemes that are the final parent company
- Companies directly or indirectly owned by the entities listed in the first two bullet points above.

## 4. Other considerations

- Qualified Domestic Minimum Top-up Tax (QDMTT): The Tax Revision Proposal does not include a QDMTT provision. However, it is possible that this QDMTT provision may be included in the legislation later.
  - Applicable Penalty: In failure of filing the GloBE Information Return, it may be subject to penalty up to KRW100 million.
  - For accounting purposes, it is expected that the financial auditor will require the global minimum tax to be reflected in the corporate tax expense account and the respective liability account in the financial statements starting in the first quarter of 2024.
-