

VAT refund of a foreign entity or a liaison office

A foreign entity without a permanent establishment or a foreign entity's liaison office in Korea can get input value added taxes refund related to the certain goods and services purchased or provided in Korea.

1. Scope of the goods or services for which the refund can be applied

- Meals and lodging services
- Advertisement services
- Electric power and telecommunication services
- Real estate leasing services
- Services related to the operation and maintenance of a liaison office
- Acquisition or repair of a building or structure
- Acquisition or lease of office furniture and equipment

2. Requirements for the refund

- The refundable amount of the value added tax should exceed 300,000 won for the period from January 1 to December 31
- The home country of a relevant foreign entity provides the reciprocal benefits to Korean companies or this foreign country does not have a value added tax system.

3. Refund procedures

1) Refund claim due date: June 30th of the following calendar year

2) Applicable period: One calendar year

3) Documents to be submitted

- Certification of business registration (or ID number certificate)
- Transaction details
- An original tax invoice or a credit card slip (The name of a person who receives the supply, passport number or the business name of a relevant foreign entity, and the amount of value added tax must be specified on the credit card slip)
- Power of attorney, if any
- Answer sheet for the questionnaires related to the refund of value added taxes

4) Refund application to be submitted to: Director of Tax Return Management Department, Seoul Regional District Tax Service

5) Refund method: In case a foreign entity does not have a representative in Korea, it may request Director of Operation Support Department, Namdaemun Tax Office to remit the refund directly to an overseas location