

## SPECIAL ACT ON DESIGNATION AND MANAGEMENT OF FREE ECONOMIC ZONES

### Article 16 (Taxes and Financial Assistance)

- (1) The State or local governments may grant each foreign-invested enterprise located in any free economic zone (hereinafter referred to as "foreign-invested enterprise located in a free economic zone") a reduction of, or exemption from, national or local taxes, as prescribed by the Restriction of Special Taxation Act, the Customs Act, and the Restriction of Special Local Taxation Act. <Amended by Act No. 10220, Mar. 31, 2010>
- (2) Any local government may subsidize funds necessary for developing sites to be rented to foreign-invested enterprises located in its free economic zone, granting a reduction of, or exemption from, the rent for land, etc., installing and operating medical, educational and research facilities, and building houses for foreigners with the aim of attracting foreign-invested enterprises.
- (3) If any local government subsidizes funds pursuant to paragraph (2), the State shall subsidize such local government, as prescribed by Presidential Decree.
- (4) Notwithstanding the State Property Act, the Public Property and Commodity Management Act, and other Acts and subordinate statutes, the State and local governments may grant foreign-invested enterprises located in any free economic zone a reduction of, or exemption from, a user fee or rent for State or public property until December 31, 2023, as prescribed by Presidential Decree: In such cases, a user fee or rent for State or public property shall be calculated by multiplying the value of the relevant State or public property by a percentage of at least 10/1000 per year. <Amended by Act No. 12924, Dec. 30, 2014>
- (5) Notwithstanding the State Property Act, the Public Property and Commodity Management Act, and other Acts and subordinate statutes, where necessary to revitalize the development of a free economic zone and promote foreign investment, the State may permit a development project operator or foreign-invested enterprise located in a free economic zone to use any piece of State-owned property under private contract, or a local government may permit a development project operator or foreign-invested enterprise located in a free economic zone to use or profit from any piece of public property owned by the local government, or rent or sell such public property to him/her or it under private contract. <Amended by Act No. 9401, Jan. 30, 2009; Act No. 12924, Dec. 30, 2014>

[This Article Wholly Amended by Act No. 9366, Jan. 30, 2009] <<Enforcement Date: Jul. 1, 2015>>