

Global Tax Services

*Is your tax strategy aligned
with your business goals?*



Foreword

Operating in a global tax environment has never been as challenging as it is today. Indeed, the entire international tax landscape is undergoing a fundamental change. The OECD is leading discussions on base erosion and profit shifting (BEPS). Individual territories are reviewing their current tax regulations and carefully assessing how well they are suited to the current business environment. In some cases, we are seeing a complete overhaul of existing tax regimes (eg. U.S. tax reform). Change is the only constant and tax regulations are expected to continue to change and evolve, which will have an impact on all companies engaging in international trade and investment. Given this dynamic tax environment, tax departments need to be up to speed on developments and be in a position to react with agility.

Our multinational clients rely on the more than 250 international tax professionals in Global Tax Services to meet the challenges of the uncertain and changing tax environment. From inbound/outbound planning to global mobility, Global Tax Services provides a complete spectrum of tax services. We help our foreign-invested and domestic clients manage tax audits, request tax rulings on complex issues and provide individual tax compliance services for expatriates. We support domestic companies on outbound structuring and tax planning. We also have specialized practices in transfer pricing and private equity. Simply stated, we provide one-stop tax services for companies that operate globally.

Whether we are analyzing, advising or co-creating, the work we do ensures tax systems and economic systems continue to function and evolve. This ensures our clients can operate within them and society can have the confidence to imagine, build and grow. We always act within our core value of “Building trust in society and solving important problems”.

We look forward to successful cooperation in the future.

Warm regards,



Alex Joong-hyun Lee
Global Tax Services Leader



As the 4th largest economy in Asia and the 11th largest economy in the world, Korea represents a strategically important market. Korea's economy has exhibited a surprising level of resiliency, despite the current uncertain global trade environment, and continues to maintain a positive outlook. Korea also continues to be an attractive destination for foreign investment as evidenced by the amount of new FDI commitments to Korea recently reaching an all-time high. While doing business in Korea clearly provides some unique opportunities, it also entails some equally unique challenges. Having the right advisor to help support you in achieving your business objectives can make all the difference.

At Samil PwC, we have a long history of serving the needs of foreign investors and the foreign business community in Korea. We have a deep pool of exceptionally talented resources and count among our clients some of the world's leading global organizations across a diverse range of industries. The Global Tax Services Group epitomizes our dedication to serving the specialized needs our global client base, particularly in relation to the provision of tax services, and this dedication really comes to life in how we cultivate our client relationships, deliver our services and focus on providing valuable insights.

We sincerely appreciate your interest in learning more about Samil PwC and our Global Tax Services Group and very much look forward to having opportunities to collaborate with you in the future.

Best regards,



Henry An
Inbound Leader

Inbound Planning & Structuring

Foreign businesses investing in Korea must keep abreast of tax, legislative and regulatory developments which can potentially affect tax benefits for investment and have tax implications upon the business exit. It is important to understand their impact on business operations and develop a comprehensive investment plan that addresses exit strategies and considerations in the early planning stage.

Our inbound investment tax professionals are highly experienced in addressing these issues, related impacts and all aspects of international taxation. Leveraging their wealth of work experiences and know-how, they can provide guidance on the most tax efficient investment structure as well as

solutions to various tax issues that may occur during business operation and withdrawal stages. They also provide a broad range of services for foreign companies making new or additional investment to ensure the timely fulfilment of tax obligations.

How can we support?

- Perform an analysis of the optimum business type for investment and management purposes and assistance with incorporation
- Analyze a tax-efficient capital structure and advise an investor's country selection
- Assess the applicability of tax exemption benefits for foreign-invested entities and filing service for tax exemptions

- Provide tax due diligence and structuring service in foreign acquisitions of domestic companies
- Advise tax-efficient exit strategy and liquidation/ business closure procedures
- Advise various cross-border transactions (royalties, service fees, cost sharing agreements, head office-branch transactions, etc.)
- Provide business process outsourcing for local subsidiaries or branches of foreign companies, including bookkeeping, payroll and HR function, tax filing and cash management, etc.

Outbound Planning & Structuring

With overseas investment by domestic companies constantly growing, companies find opportunities to remain more competitive through business expansion. Tax issues can inevitably arise when entering overseas markets. Without careful planning, entering new markets can result in exposing companies to increased risk of being challenged globally.

We can help companies identify and design efficient investment structure which can help minimize potential tax costs and facilitate after-tax liquidity. We can also design a favorable investment structure to minimize future uncertainties and risks of overseas subsidiaries by addressing prospective issues that

could arise in making reinvestment of profits and implementing investment exits.

With extensive experience and expertise accumulated through joint engagement with the PwC global network, our outbound service professionals provide companies with outbound planning and structuring to ensure alignment with their strategic goals of business expansion and value creation.

How can we support?

- Assist with the incorporation or liquidation of a foreign entity
- Assist investment-related negotiations (with investment partners, government agencies of

investment destinations, etc.)

- Advise on investment structuring (equity structure, capital structure, profit recovery structure, etc.)
- Tax advice on cross-border M&A
- Global tax management support for existing overseas business places (tax health-check, tax audit assistance)
- Advise on restructuring of overseas business
- Advise on foreign tax credit and taxation of retained earnings in controlled foreign corporation
- Advise on tax credits available for overseas investment

Transfer Pricing

Samil PwC is the largest transfer pricing practice in Korea with more than 60 multi-disciplinary professionals experienced in accounting, tax, finance, and economics.

Transfer pricing has become one of the most significant international tax issues as revenue authorities around the world have intensified their scrutiny of transfer pricing arrangements and increased efforts around enforcement of compliance. Under this environment, one of the most important things companies need to do is establishing their transfer pricing policies properly and implement them to ensure that all regulatory requirements are met consistently. Our transfer pricing practice stays abreast of changes and new regulatory developments in the

transfer pricing and tax environment.

As a member of PwC global network with over 3,100 transfer pricing professionals deployed in more than 90 countries, we're well positioned to advise companies on developing compliant, tax-efficient structures for domestic as well as foreign-invested companies, including development of transfer pricing policies, transfer pricing risk assessment as well as support on transfer pricing investigations and dispute resolution procedures.

How can we support?

- Develop a transfer pricing policy and implementation plan (TP Planning)
- Assist with BEPS documentation

for head offices and overseas subsidiaries

- Assist with documentation of cross-border transactions
- Evaluate potential exposure risk of domestic and overseas transfer pricing audits
- Assist with domestic and overseas transfer pricing audit and tax controversy
- Help companies request Advanced Pricing Agreement (APA) and/or initiate Mutual Agreement Procedures (Competent Authority)
- Assist with restructuring of transactions and the redistribution of functions and risks
- Develop brand royalty policies and prepare documentation to defend the royalty policy

Private Equity Services

As the domestic and global M&A markets grow, an increasing focus is given to the role of private equity funds as the key M&A players and their significant influence on the markets. When private equity fund managers are looking to make investment, it is imperative to consider tax issues which inevitably arise to create higher value and design the acquisition structure and financing in a tax efficient manner. Our dedicated private equity professionals are highly experienced in advising major domestic and foreign private equity funds and

provide a broad range of tax advisory services in all stages of making, managing and existing investments.

How can we support?

- Tax due diligence on target company or assets
- Advise fund structuring and financing in acquisitions
- Create or review tax models
- Review SPA/BTA/JV agreements and other transaction agreements
- Post-acquisition service of tax filing agent (acquisition tax filing and

advice for majority shareholders, consolidated tax return filing, etc.)

- Tax advice on merger/recapitalization/refinancing strategy for SPC and an acquired company
- Tax health check of a target company and tax audit assistance
- Tax advisory services on exiting investments (tax advice/tax audit assistance for exits, filing service for overseas investment vehicles, etc.)

Global Mobility Services

Our Global Mobility Services (GMS) professionals assist domestic and global multinationals with the creation and efficient management of their employee deployment strategy which is crucial for business success.

The PwC GMS Network is comprised of more than 6,000 GMS professionals located in more than 150 offices worldwide. Drawing on global mobility resources, expertise and integrated system, our GMS professionals are well positioned to provide the best approach applicable to all assignees in establishing assignment policy for employees deployed by global companies and managing tax filing requirements in a systematic manner.

How can we support?

Foreign employees assigned to Korea by foreign companies (Inbound)

- Advise Korean income tax compliance for foreign employees working assigned to Korea (Korean Tax Briefing)
- Review the withholding requirement and assist with the calculation of withholding tax payable by company (including year-end settlement)
- Review and support personal tax filing requirements (filing final returns of global income / capital gains / retirement income)
- Review and advice on share-based compensation schemes including stock options, restricted shares, stock units, etc.
- Review of and advice on deferred compensation plan

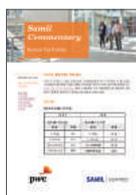
Korean employees assigned overseas by domestic companies (Outbound)

- Income tax and social security tax compliance in host countries
- Analyze and estimate tax cost by type of international assignment
- Advise on compensation and tax recharge policies for deployed employees
- Assist with compliance requirements in Korea and host countries (working with the PwC Network)
- Provide consultation for international assignment managers and employees to be deployed
- Advise on share-based compensation policy and country-specific requirements for tax compliance

We Share Insights



Samil
Global Tax Update



Samil
Commentary
Korean Tax Update



Tax News Flash



Global Mobility
Thought Leadership



Tax Insights from
Transfer Pricing



International
Tax News

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