

Home Tax Service in Korea

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1. Purposes

- To provide online home interfaces to taxpayer on every aspect of national tax affairs
- To relieve both of taxpayers and tax agency's cost
- To offer tax related up to date information and responsive public service to meet the needs of taxpayers
- To enhance reliability and accuracy in tax administration by providing transparent tax services to the public

2. The Beginning and Progress

- HTS project was selected as one of the 11 key tasks in e-Government implementation program and set about develop at the end of 2001.
- E-filing (VAT, withholding tax), payment and notification were serviced in Apr. 2002.
- Taxpayers can print their tax-related certificate by their own PC and use it as official document in Jan. 2004.
- E-filing items were extended to corporate tax, income tax in Mar. 2004.
- Pre-populated service is offered to small-scale businessmen in May. 2005.

3. Available Services

- ❑ Tax return, notification, payment and tax inquiry are available through online interfaces.

| Classification | Discription |
|----------------|---|
| e-Tax Return | <ul style="list-style-type: none">- Offer various online tax return modes for different taxpayer groups<ul style="list-style-type: none">• Batch transfer• online tax return- Tax items(10 items)<ul style="list-style-type: none">• Corporate tax, income tax• VAT, withholding tax• Special excise tax, liquor tax,• Securities transaction tax, stamp tax• Tax for rural development, transportation tax |

3. Available Services

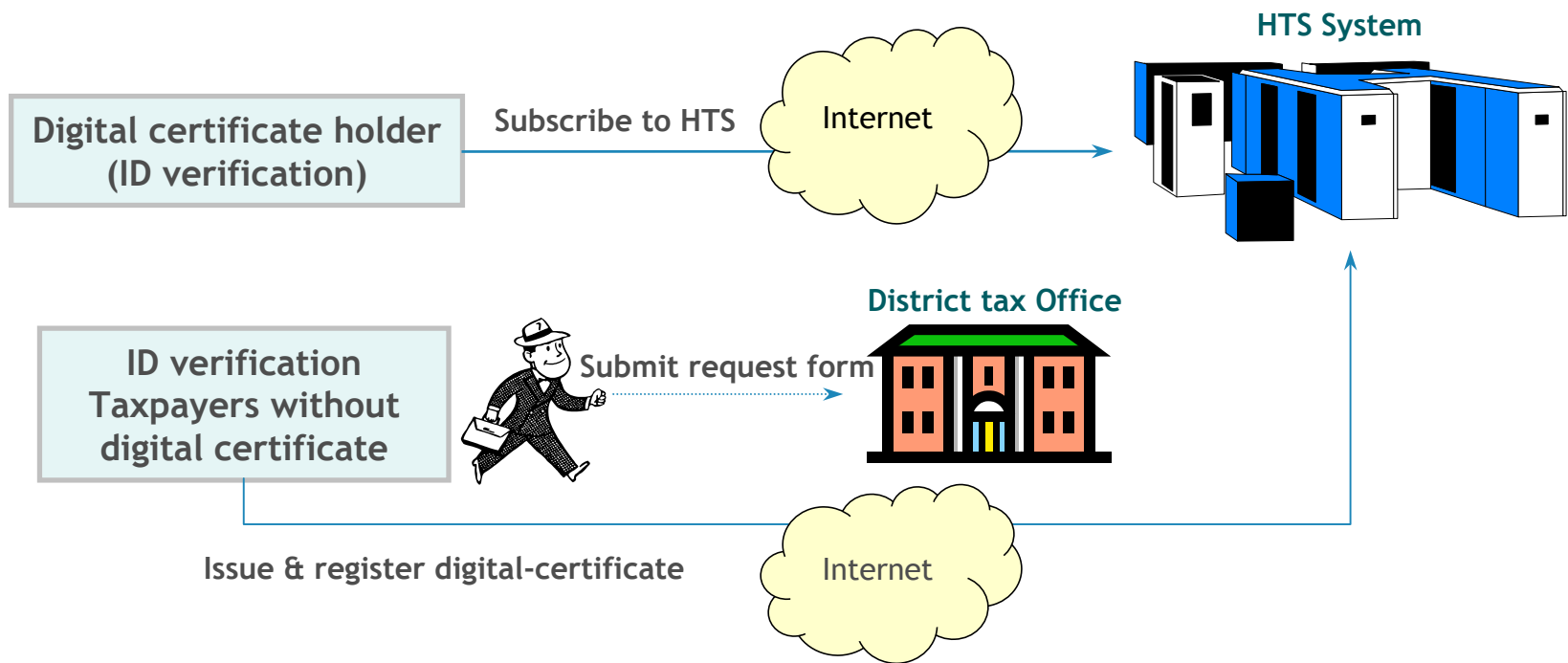
| Classification | Discription |
|-----------------------|---|
| e-Notification | <ul style="list-style-type: none">- Send notice by e-mail or SMS and tax payers confirm details of notification online- Provide online notification for all tax items |
| e-Payment | <ul style="list-style-type: none">- Interface to online return and notification data- Enter only bank name, account no. and password<ul style="list-style-type: none">• Other payment information are pre-populated. |

3. Available Services

| Classification | Discription |
|------------------------------|--|
| e-civil Service | <ul style="list-style-type: none">- Issue certificates online<ul style="list-style-type: none">• Taxpayers can print it by their own PC• Printed certificates can be used as official document- Receive civil applications online<ul style="list-style-type: none">• Tax appeal, etc.- Publicize civil application processing results |
| e-inquiry & guide | <ul style="list-style-type: none">- Advance tax notice, preliminary estimated tax amount notice- Taxpayers calculate various tax-related instance easily- Mobile service<ul style="list-style-type: none">• Tax guide for businesses• Tax notification guide• Tax refund guide |

3. Available Services

□ HTS Subscription

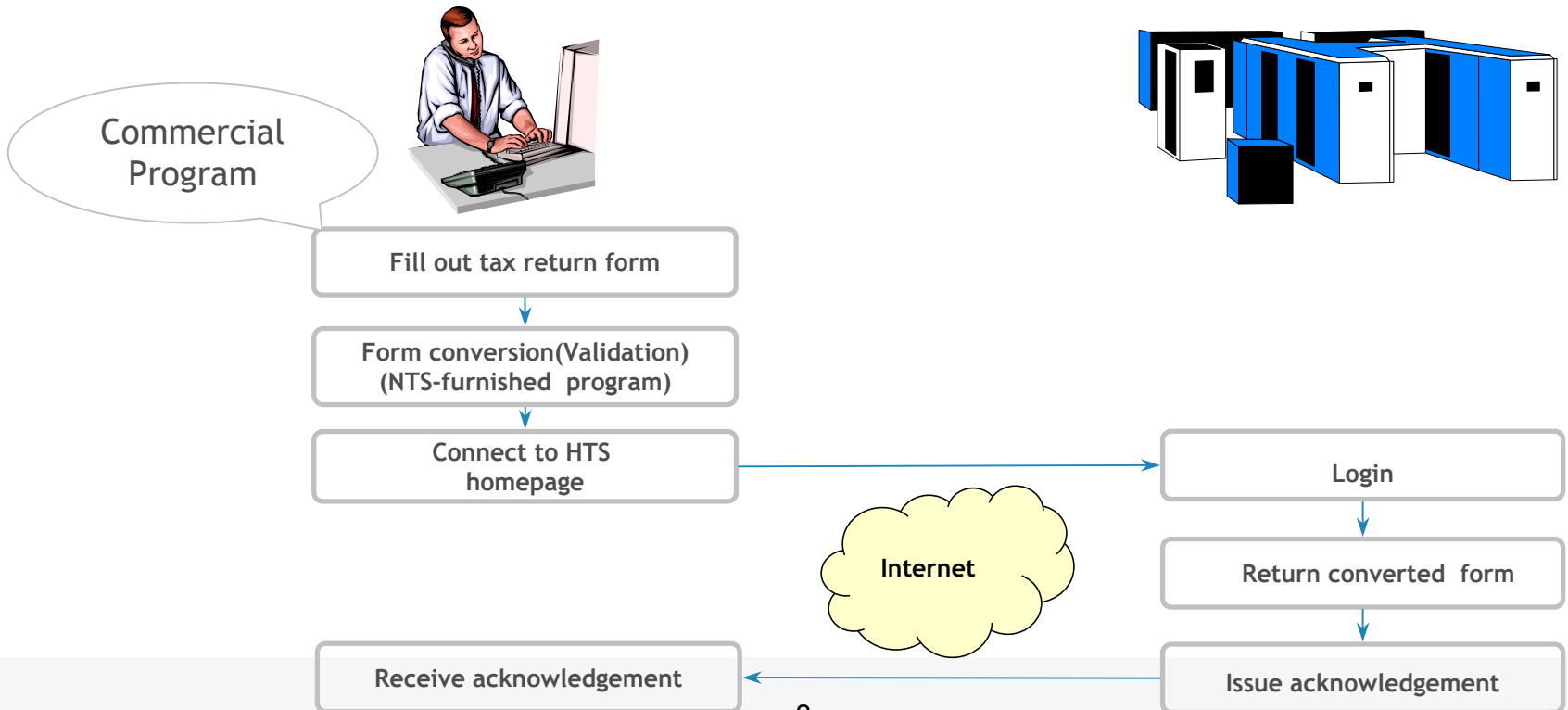


3. Available Services

E-filing

Batch Transfer

User group : Tax agents, tax accounting program users

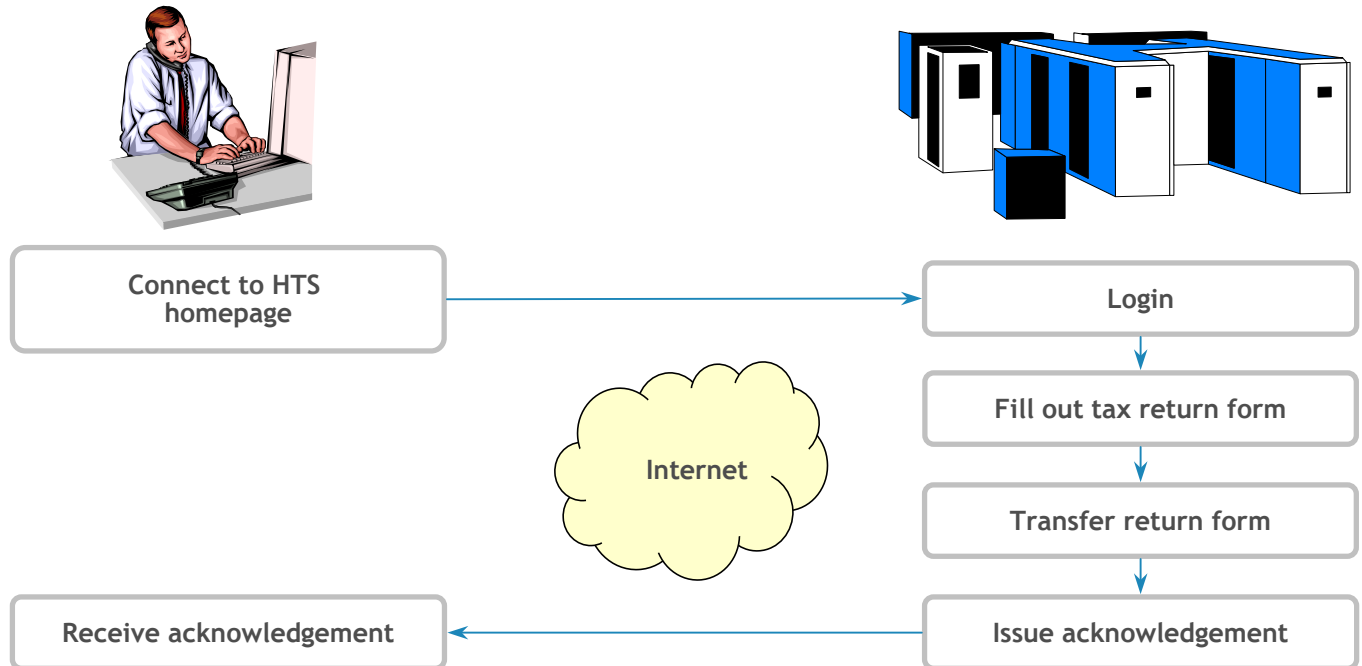


3. Available Services

E-filing

Online return

User group : Taxpayers without tax accounting programs such as small business owners

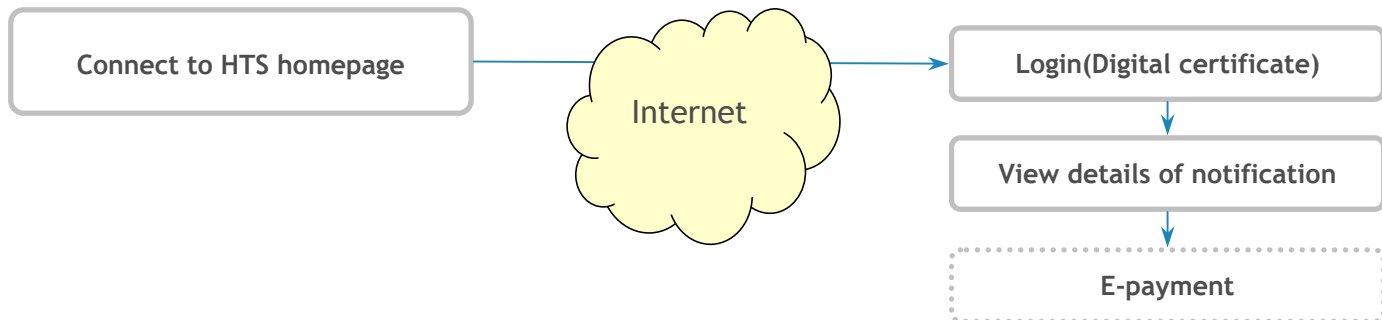


3. Available Services

E-Notification

Applicable to : All tax items

User group : E-notification service subscribers

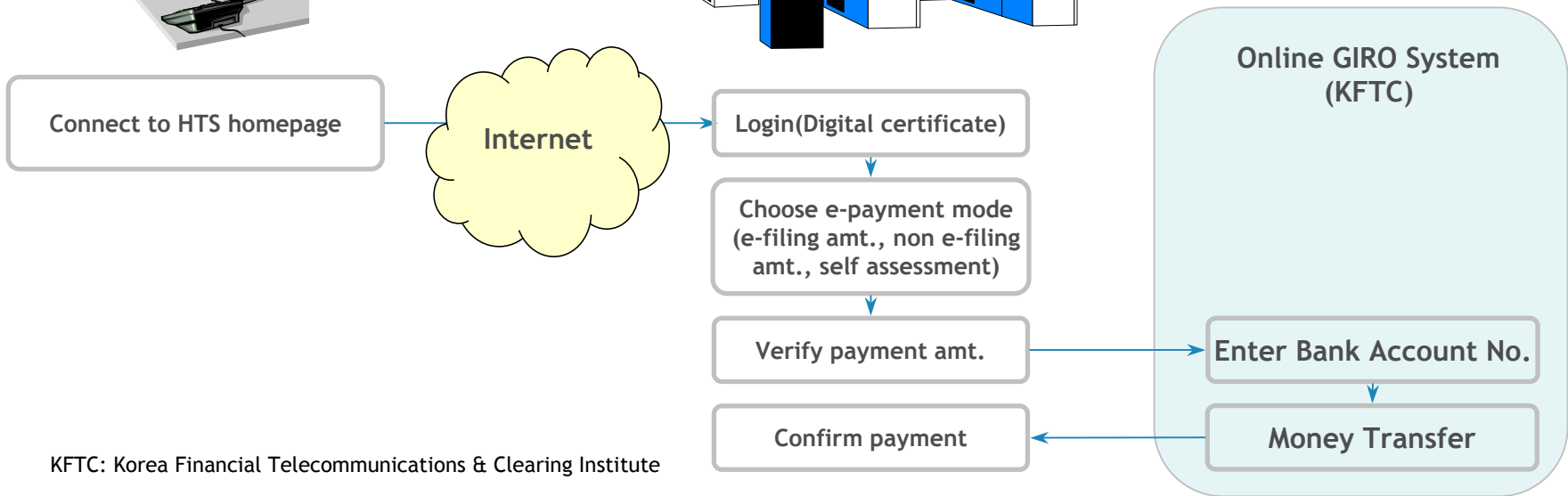
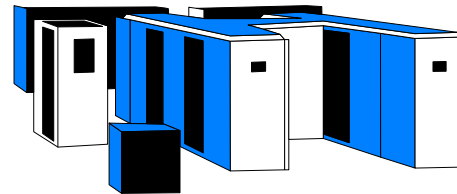
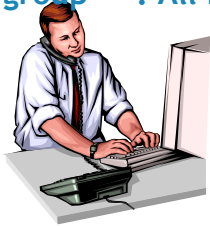


3. Available Services

E-Payment

Applicable to : All tax items

User group : All HTS user




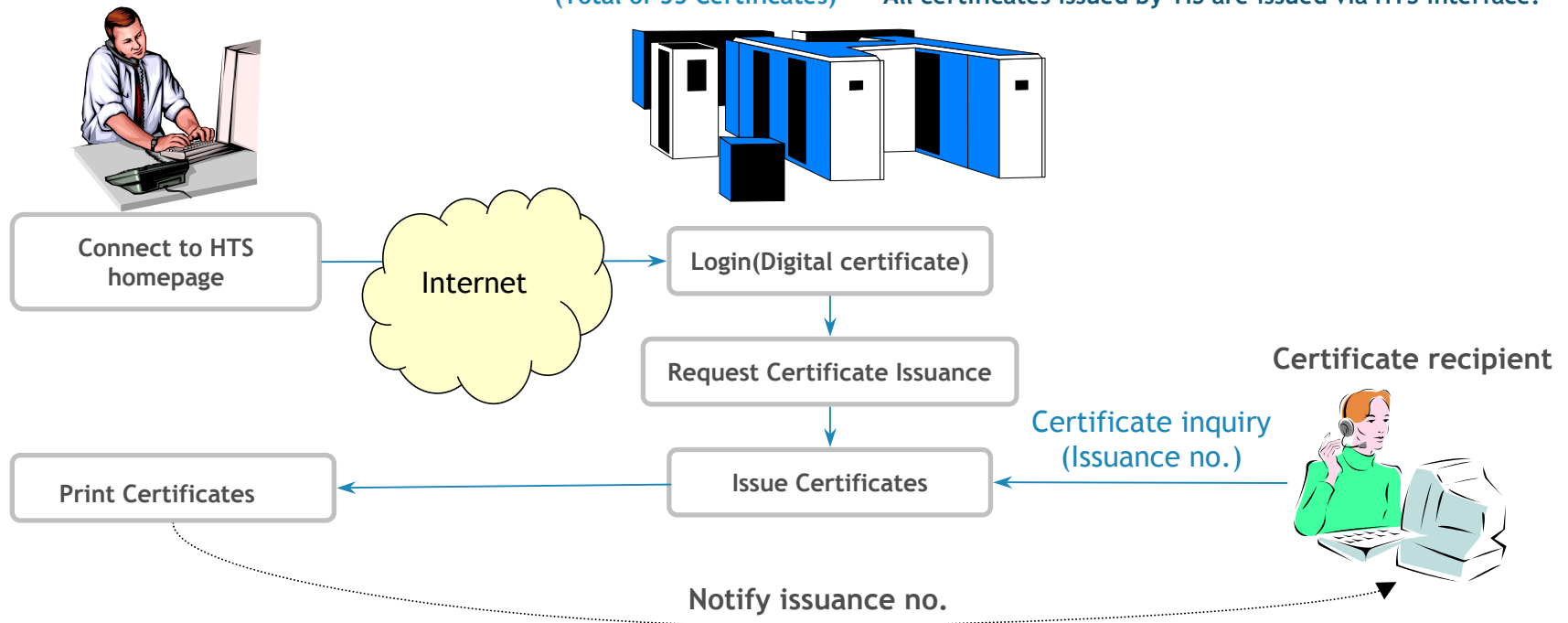
KFTC: Korea Financial Telecommunications & Clearing Institute

3. Available Services

E-civil service

Tax Certificate Issuance

Applicable to : Biz. Regist. statement, Biz interruption/closing certificate, Tax payment certificate, tax payment statement, income amount certificate (Total of 33 Certificates)  All certificates issued by TIS are issued via HTS interface.

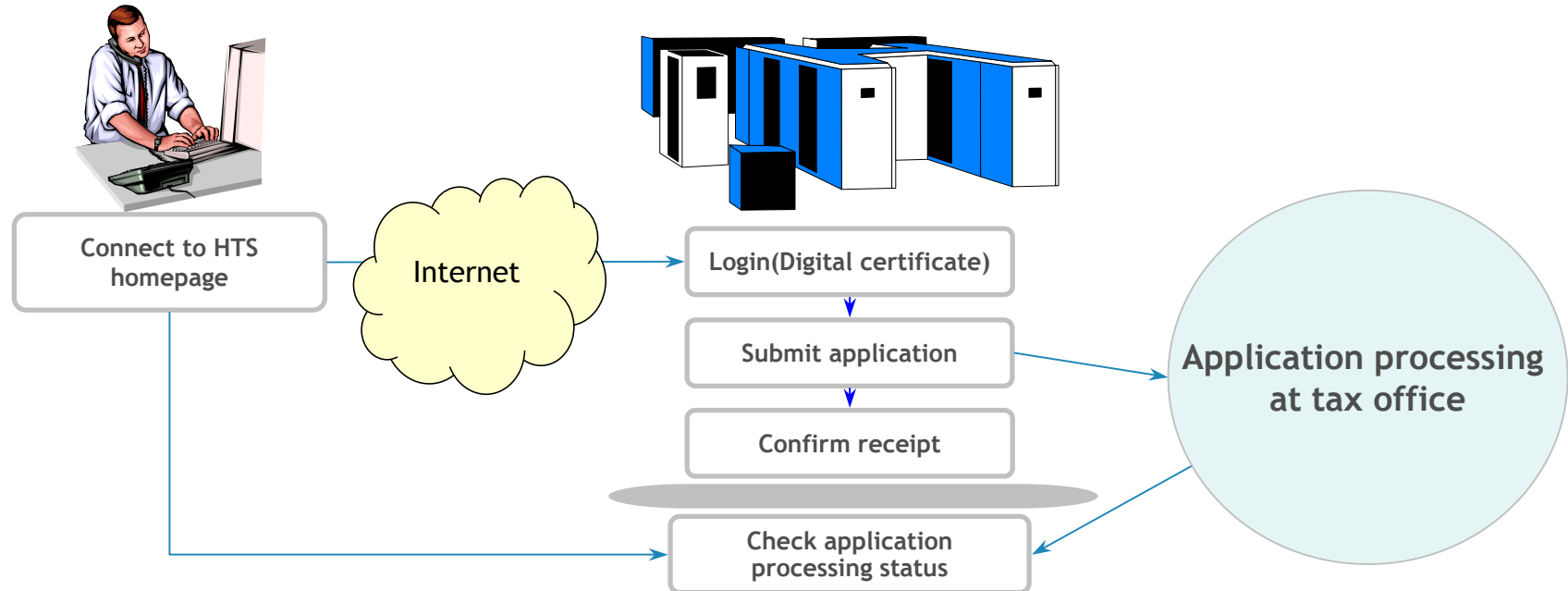


3. Available Services

E-civil service

Online civil application submission

Applicable to: Civil applications including request for authorization, permit or report (106 types) ※ HTS notify application processing status about 41 types of applications which is required to be processed over 4 days



4. Key Statistics

□ Subscription Status

- Tax agents
 - 97.6% of local tax agents(CPTA or CPA) have subscribed (Sep. 2005)
 - E-return agent service is available at taxpayer's request.
- Taxpayers
 - 3,815,000 subscribers (Sep. 2005)
 - 61.6% of total businessmen (61.7% of corporate entities) have subscribed to HTS.

4. Key Statistics

□ Statistics in Detail

| Classification | Sep. 2005 | Remarks |
|---|----------------------|---|
| HTS Subscribers | 3,815,000 | 61.6% of total enterprises 97.6% of tax agents |
| E-filing •Corporate tax •VAT | 308,200 2,780,000 | (2005.3) 97.1% of total 72.0% of total |
| E-Notification •No. of cases •Sum | 21,972 145bill. | 4.8% of total 6.9% of total |
| E-Payment •No. of cases •Sum | 32,827 1,911bill. | 5.1% of total 20.8% of total |

4. Key Statistics

□ Statistics in Detail

| Classification | Sep. 2005 | Remarks |
|----------------------|-----------|--|
| Certificate issuance | 492,253 | 67.3% of total |
| HTS Visits | 1,659,000 | There are more visitors in January, May and July because of Income tax and VAT |

5. Plans for the Future

Integrated Service for taxpayers

- HTS will show taxpayers their own tax-related history.

ex) past tax return, delinquency in payment, past notification

Apply for tax certificate by Mobile phone

- Taxpayers connect HTS mobile homepage and request their own tax certificate.

Then taxpayers get registration number of the certificate by their mobile phone.

When they announce recipient that number, the recipient can confirm certificate on HTS homepage and print it.

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Thank You!