



Accurate  
Bookkeeping  
Korea

# Document preparation for VAT recovery

## Are you aware that foreigners on a business trip to Korea can recover the paid Value Added Tax for certain business expenses?

In Korea for many business-related expenses the VAT of currently 10% can be recovered by a foreign enterprise by applying for VAT recovery. It's essential to first understand that the purpose of the expense must be in line with the VAT refund requirements, and that for a successful application the proper evidence for submission is needed.

## What kind of goods and services are eligible for a refund?

- Expenses for office equipment and supplies
- Telecommunication costs
- Advertising expenses
- Accommodation, restaurant, and hotel expenses
- Maintenance and rental expenses for local representatives and warehousing
- Costs of renting real estate

A typical expense which can be not included are expenses related to rental car and fuel expenses in Korea.

## What are the requirements for a refund?

- Reciprocity Requirements in line with the relevant double taxation agreement
- Refund amount exceeding KRW 300,000 for one calendar year can be claimed.
- Submitting original credit card receipts.
- Requesting and submitting an official tax invoices from the service providers.

Once an expense is deemed eligible, the next step is to prepare the appropriate documentation for submission. The key documents include credit card receipts and tax invoices. It's important to note that for payments made by credit card, retaining the original receipt is crucial. In the case of cash payments, obtaining a tax invoice is necessary.

## How does a tax invoice for foreign companies look like?

A tax invoice must contain the following basic elements:

- Name of Supplier
- Business Registration Number of Supplier
- Date of Issuance
- Designation of item/service
- Quantity of item/service provided.
- Unit price
- VAT amount
- Total amount

**Please inform your VAT number (from the home country) so the supplier can note it at remark on VAT invoice.**



SUPPLIER 전자세금계산서				승인번호 Authorization Number				SUPPLIED			
등록번호	Tax number	통신판매업자번호	Business Registration Number	등록번호	Tax number	통신판매업자번호	Business Registration Number				
상호(법인명)	Company name	성명	Name	상호(법인명)	Company name	성명	Name				
사업장주소	Company address			사업장주소	Company address						
업태	Business Type	종목	category	업태 </TDS>	Business Type	종목	category				
이메일	E-Mail			이메일	E-Mail						
작성일자	공급가액	세액	수정사유								
Date (preperation)	Value of Delivery	VAT	reason for modification								
비고	Remarks										
월	일	품목	규격	수량	단가	공급가액	세액	비고			
Month	Day	Item supplied	standard	Quant	Item Price	Total Price	VAT				
합계금액		현금	수표	머음	외상미수금	미 금액을 (영수) 함					
Total Amount		Cash	Check	Notes	Receivable						

## What ABK need from you for VAT recovery services?

- Original receipts and expense purpose details
- Company business license
- Signed PoA and signed application for VAT recovery.

## What is the timeline / application deadline?

The application for VAT recovery can only be submitted after the end of a calendar year. The signed application and related documents must be submitted by June 30th of the following year.

Please contact us for further information at [info@abk-korea.com](mailto:info@abk-korea.com)

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