



Responding to COVID-19: BRITACOM PERSPECTIVE, 2 June 2020

Script of speech

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Thank you Mr. Wang. Hello everyone. I am glad to see all of you on the Internet. And it's my pleasure to share Korea's experience in dealing with COVID-19. Until today the number of confirmed cases of COVID-19 in Korea is roughly 11,000. The outbreak began to rise from late February and it has been subdued since mid-March. However, as we come close to infection South Korea recently, more time and efforts will be needed to completely overcome the pandemic. So, the National Tax Service of Korea (NTS) is carrying out extensive response measures to flatten the curve. Now, let me walk you through the NTS's responses to curve the pandemic with the slides on the screen.

Korea has taken various action to effectively tackle the COVID-19 pandemic. First, reaction to the pandemic. NTS provided preemptive support measures to industries most affected by COVID-19, which are mainly tourism and some other businesses. NTS suspended tax investigations in Daegu & Gyeongbuk region which has the largest confirmed cases of COVID-19. Also, NTS extended the deadline for claiming Earned Income Tax Credit, VAT payments and provided additional assistance to small and medium size businesses (SMEs).

NTS granted automatic a 3-month extensional deadline for filing and paying VAT for taxpayers in the special disaster zones. Also NTS deferred Personal Income Tax payments for all 7 million self-employed taxpayers in the zones for 3 months. As for business owners, NTS allowed a 3-month grace period for filing tax returns. Not only that, NTS automatically postponed for all arrears until the end of June for micro-business owners with debts under 4,000 USD. NTS proactively engaged with taxpayers to improve administrative means and provided assistance accordingly. For example, NTS was about to deliver 2019 year-end tax settlement refund 10 days earlier compared to previous years. Also, NTS alleviated shortage of ethanol used in hand sanitizers by expediting administrative procedures. In addition, NTS allowed online issuance of tax certification which is used for applying for relief funds for small businesses. Not only that, NTS allowed 3-month deferred payments for traffic & liquor businesses.

Korea NTS administrative support to taxpayers affected by COVID-19 covers over 5.4 million cases which amounts to a total of 17.2 billion USD up to date.

NTS has taken strict actions against market manipulation and tax evasions of mask manufacturers and distributors. It has made on-site inspections on mask manufacturers, distributors and online sellers and

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identified 52 companies with suspicious activities initiated tax investigation.

Safety related organizational measures were enacted to protect taxpayers. NTS implemented mandatory mask-wearing policies, installed acrylic barriers and supplied thermal cameras and hand sanitizers in all district and regional tax offices. NTS expanded untact service for taxpayers such as on-line and ARS tax filing services.

NTS operated COVID-19 Task Forces in not only the headquarter office, but also at the regional and district-level offices. The task force at the headquarter is led by the commissioner and is composed of representatives from all divisions. NTS effort preventive measures to keep everyone safe by increasing employee's flexibility of working hours, enacting preventive measures and making mandatory to wear masks.

These supportive measures that the Korea government carried out is equivalence of 1.5 billion USD. The supportive measures are mainly aimed at assistance of small business owners. For example, the government raised tax exemption threshold for simplified taxpayers, provided tax cut for building owners who voluntarily reduced rental fee and reducing Individual Consumption Tax for purchasing cars.

Finally I'd like to share the how NTS prepares for post COVID-19 era. First, NTS will continue administrative support for taxpayers for a fast economic recovery. Second, NTS will crack down on tax evasion activities that hurts public welfare. Third, tax filing and payment procedures will be done through IT based untact technology. Fourth, smart-work culture will be fostered. Lately, NTS will continue to take strict action against tax evasion and maintain tax revenue stabilization.

Thank you for listening to Korea NTS's responses to COVID-19.

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