

2019 Plan of Employment Subsidy Support for Foreign-Invested Enterprises

In accordance with Article 14 of the Foreign Investment Promotion Act (FIPA), Article 20 of the FIPA Enforcement Decree, Article 15 and 16 of the Seoul Metropolitan Government (SMG) Ordinance on Support for Foreign Investment, we hereby offer notification of the plan, outlined below, to provide subsidies for employment, education, and training for foreign invested enterprises in Seoul Metropolitan City in 2019. Eligible companies are kindly requested to submit an application for subsidy in accordance with the following.

July 8, 2019

Mayor of Seoul Metropolitan Government

Eligibility Period: Jan. 1. 2018 ~ Dec. 31. 2018

Eligibility and Requirements

- Eligibility: Foreign investment projects (MOU/LOI established) attracted by the SMG or foreign-invested enterprises that invest in new growth industries designated by the SMG
 - ※ Eight new growth industries: IT convergence, digital content, green industry, business services, fashion & design, finance, tourism and conventions, biomedical
- Requirements to receive support
 - New recruitment and training should take place within five years of the date of foreign-invested enterprise registration or within five years of the date of an increase in investment.
 - Companies whose total number of regular employees increased by more than 10 from the previous year (2017) through new recruitment in 2018 (or, companies whose total number of regular employees is more than 10 for those newly founded in 2018)
 - ※ Applies only to Korean nationals employed as of the date of application

<Regular employees>

- ◆ Legal ground : The national financial support standard for attracting local investment enterprises by local governments (Notice of MOTIE, 2019-51, April. 12)
- ◆ Define: The average annual number of persons who provide work for the purpose of wages to enterprises in an independent workplace
- ◆ Count : Employees who can be proved by employment payment documents according to Article 13 of Law of Employment Insurance and Collection of Insurance Premiums for Industrial Accident Compensation Insurance

- As of the application date, a corporation with a foreign investment ratio of over 30 percent
 - ※ Excluding shares (stocks) of foreign companies held by Korean nationals and corporations
- Companies that completed education and training at qualified job training institutions, as per the Vocational Education and Training Promotion Act, for new employees hired in 2018

Subsidy amount

- Up to KRW 400 million per company (Maximum KRW 200 million for employment subsidy + Maximum KRW 200 million for education and training subsidy)
 - For each employee exceeding 10 newly hired employees : up to KRW 1 million per employee for up to six months
- Year subsidy budget: KRW 300 million
 - ※ If applicants exceeds the budget amount, the subsidy will be provided within the budget by scrutinizing applicants' future employment plans, investment increase plans, and MOUs established with SMG.

Application

- **Deadline : July 8th ~ August 9th, 2019**
- **How to apply : In person or via regular mail or email** (valid if postmarked by deadline)
- **Reception desk : Investment & Business Incubation Division, Seoul Metropolitan Government**
 - Telephone: 02-2133-4765 (an official in charge of subsidy)
 - E-mail : sangwoon.jeong@seoul.go.kr
 - Address: Investment & Business Incubation Division, 7th floor, 21 Mugyo-ro, Jung-gu, Seoul (Mugyo-dong, The Exchanges Seoul Building)
- **Documents to be submitted**
 - A copy of application for subsidy (Appendix Attached Form No. 2)
 - A copy of regular employment status report (Appendix Attached Form No. 3)
 - A certified copy of company registry
 - A printed copy of certificate of foreign-invested enterprise registration
 - A printed copy of foreign investment declaration (within the last five years) and proof of payment confirmation document
 - A copy of employment insurance certificate (printout from www.ei.go.kr on the date of application)
 - A copy of business employment information status (submitted in 2 types: employment status and retired employees) (Printout for each employment condition type (employed/employment terminated) from Business Establishment > Browse Information > Browse Employment Information Status (20103) from total.kcomwel.or.kr on the date of application)
 - A copy of proof of 4 public insurance subscriptions and a list of businesses subscribed to 4 public insurances (printout from www.4insure.or.kr on the date of application)

- A printed copy of list of employees (Jan. - Dec. 2017, Jan. - Dec. 2018)
 - ※ Date of start of employment, gender, name and citizenship status (Korean/foreigner) need to be specified
- A copy of financial statements of foreign-invested enterprise
- Company introductory letter (including results of FDI in the past 5 years and future investment plans (up to 2021))
- A copy of proof of building usage right (rental agreement, etc.)
- A copy of proof of training details and payment for education and training subsidy
- Personal details of the applicant
 - Foreigner : Certificate of domestic residence, phone number (mobile, etc.), alien registration number
 - Korean : Resident registration registry (abstract), phone number (mobile, etc.)
- ※ Additional documents may be requested if necessary.

Fulfillment of conditions

- **A separate bank account to receive and spend the subsidy should be set up, and be used only for labor costs** (employee salary, bonus, welfare expenses, etc.).
- **For the first three years including the year in which a subsidy is applied for, a company receiving the subsidy shall maintain the number of regular employees and more than 30% of foreign investments as the previous year of subsidy application (2018)**
- ※ In the event of any of the following circumstances, the subsidy grant decision may be canceled in whole or in part, and the subsidy upon cancellation may be reversed.
 - If the above mentioned conditions for subsidy support are violated,
 - If a subsidy is received through a false registration or other illegal means,
 - Relocation of business place to other cities or provinces

Contact

- For further inquiries, please contact an official in the Investment & Business Incubation Division, Seoul Metropolitan Government at 02-2133-4765 or sangwoon.jeong@seoul.go.kr.

- ※ Attachment:
1. A copy of standard classification of new growth industries
 2. A copy subsidy support application
 3. A copy of regular employment status report