

# SOUTH KOREA COMPANY REPORTS

Detailed Summary of Data, Sources & FAQs



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## OUR DATA SOURCES

Please find below the main original sources of information (e.g., Chambers of commerce, local courts, etc). This should apply to registered companies and sole traders/non-registered companies.

**Financial data:** Public announcements and other private sources.

**Negative data:** Korea credit information service.

**Demographic data:**

**Payment Data:**

**Collection data:**

**Shareholder's data:** Private sources.

**Group Structure/Corporate hierarchy:**

**Other key information:** Activeness from National Tax Service.

**How often the above data is updated e.g., daily, weekly etc.?**

We keep updating our database as much as possible.

**Do you contact companies via a telephone interview or site visits at regular intervals e.g., once a year?**

No.

## NEGATIVE DATA

**What type of negative data is available?**

Tax default, Short-term overdue, Default and Guarantee.

**Bankruptcies/Insolvencies:** Yes.

**Court Cases/ Actions:** No.

**Debt Collection cases:**

**How often is this negative data updated?** Real Time.



## CREDIT SCORES & LIMITS

### **Do you give a credit score & limit on all companies?**

Yes, limit only for companies with recent financials.

### **Are there any exceptions?**

Credit limit cannot be provided to financial institutions.

### **What is the credit score intended to predict?**

Probability of default value in 3 years.

### **Is payment data included in your credit scoring model?**

No.

### **What does the credit limit represent?**

Recommended maximum total amount outstanding.

### **How is the credit limit calculated?**

Cash flow, operating income, and credit rating.

### **What other company ratings are available?**



## LOCAL ACTIVITY CODES & VAT NUMBERS

**What version of activity codes are used in the reports?**

KSIC (Korea Standard Industry Code).

**What company ID numbers are available? (e.g., the local registration number, VAT number, etc.)**

Local registration number, VAT number.

**How are the company ID numbers formatted?**

Registration number (13digits), VAT number (10digits).

**Are companies obliged to file a VAT number?**

Yes.

**How is the VAT Number derived?**

**If they are not obliged to file and you have this data where has this data come from?**

Private sources.

**How often is the VAT number updated?**



## LOCAL BUSINESS CLASSIFICATIONS

Big company - ENTERPRISE GROUP SUBJECT TO LIMITATIONS ON MUTUAL INVESTMENT

High potential company - company not big companies neither SME

Scope of small and medium enterprises below:

Article 3 of the Enforcement Decree of the framework Act on small and medium enterprises

1. Size classification by business type: The three-year average sales of a company's main business should meet the following criteria:
2. Upper limit: Total assets of an SME shall not exceed KRW 500 billion regardless of business type:

Main Businesses	Code	Small and Medium Enterprises (Average Sales)	Small Enterprise (Average Sales)
Manufacturing of clothing, clothing accessories, and fur products	C14	KRW 150 billion or less	KRW 12 billion or less
Manufacturing of leather, bags, and shoes	C15		
Manufacturing of pulp, paper, and paper products	C17		KRW 12 billion or less
Primary metal manufacturing	C24		
Electrical equipment manufacturing	C28		KRW 8 billion or less
Furniture manufacturing	C32		
Agriculture, forestry, and fisheries	A	KRW 100 billion or less	KRW 8 billion or less
Mining	B		
Food manufacturing	C10		KRW 12 billion or less
Tobacco manufacturing	C12		
Textile product manufacturing (excluding clothing manufacturing)	C13		KRW 8 billion or less
Timber and wood product manufacturing (excluding furniture manufacturing)	C16		
Manufacturing of coke, briquettes, and refined petroleum products	C19		KRW 12 billion or less
Chemicals and chemical product manufacturing (excluding medicine manufacturing)	C20		
Rubber and plastic product manufacturing	C22		KRW 8 billion or less
Metalwork product manufacturing (excluding machine and furniture manufacturing)	C25		
Manufacturing of electronic parts, computers, video, audio, and communications equipment	C26		KRW 12 billion or less
Manufacturing of other machines and equipment	C29		
Automobile and trailer manufacturing	C30		
Manufacturing of other transportation equipment	C31		KRW 8 billion or less
Supply of electricity, gas, steam, and air conditioning	D		KRW 12 billion or less
Waterworks	E36		
Construction	F		KRW 8 billion or less
Wholesale and retail businesses	G		KRW 5 billion or less



Beverage manufacturing	C11	KRW 80 billion or less	KRW 12 billion or less
Printing and recording media duplication	C18		KRW 8 billion or less
Manufacturing of medical materials and pharmaceuticals	C21		KRW 12 billion or less
Manufacturing of non-metallic mineral products	C23		
Manufacturing of medical, precision, optics, and clocks	C27		KRW 8 billion or less
Manufacturing of other products	C33		
Water, sewage, and waste disposal, raw material recycling (excluding waterworks)	E(excluding E36)		KRW 3 billion or less
Transportation and warehousing	H		KRW 8 billion or less
Information and communications	J	KRW 60 billion or less	KRW 5 billion or less
Repair of industrial machinery and equipment	C34		KRW 1 billion or less
Professional, scientific, and technical services	M		KRW 3 billion or less
Business facility management, business support, and rental services (excluding rental businesses)	N(excluding N76)		KRW 3 billion or less
Health and social welfare services	Q		KRW 1 billion or less
Arts, sports and leisure services	R		KRW 3 billion or less
Repair and other personal services	S		KRW 1 billion or less
Accommodations and restaurants	I	KRW 40 billion or less	KRW 1 billion or less
Finance and insurance	K		KRW 8 billion or less
Real estate businesses	L		KRW 3 billion or less
Leasing businesses	N76		KRW 3 billion or less
Education services	P		KRW 1 billion or less
Note: The below businesses follow the same standard as before the amendment according to the Korean Standard Industrial Classification (revised in July 2017)			
Manufacturing of new seats for automobiles	C30393	Average sales less than KRW 150 billion	Average sales less than KRW 12 billion
Manufacturing of rail vehicle seats among manufacturers of rail vehicle parts and related devices	C31202		
Manufacturing of aircraft seats among aircraft part manufacturers	C31322		



## FINANCIAL DATA & FILING REQUIREMENTS

### **Which types of company must file financial data?**

Public and external audited companies.

### **Are there any filing exemptions and thresholds?**

Not required: self-employed companies with small sales amount.

### **How long after the financial year end do companies have to file financials?**

Within 3 months.

### **What is the penalty for not filing the financial data, and is it likely a company would prefer the penalty rather than filing them?**

Additional tax will be imposed (20-30%).

### **How did you collect the accounts?**

Annual reports for big companies, private sources for small companies.

### **What is the number of companies that must publish accounts?**

Around 20,000 companies.

### **What is the number of companies that can decide to publish or not publish accounts?**

### **Are the accounts free in this country?**





## REGISTERED & LAW INFORMATION

### VALUE-ADDED TAX ACT

Article 8 (Business Registrations)

Act No.16845, 31. Dec 2019,

- Business registration

### COMMERCIAL ACT

Act No. 15755, Sep. 18, 2018

- Corporate registration

### CORPORATE TAX ACT

Act No. 16096, Dec. 31, 2018,

- Financial Filing Requirements for corporation

### INCOME TAX ACT

Act No. 16104, Dec. 31, 2018,

- Financial Filing Requirements for sole trader

## FAQS REGARDING UNAVAILABLE INFORMATION

**Why does the local score show as inactive, however the report status shows as active?**

**Why are the headquarters of companies not rated?**

M&A, closed or temporarily closed status, expiration of incorporation etc.

**Why is there no shareholders information?**

It is not available information from public. It is only available when subject company submit by itself.

**Why are some reports not available instantly on-line?**

When we do not have data. Fresh reports can be placed.



## COUNTRY POPULATION & TRADE DATA

### Population

51,313,210

Source - <https://www.worldometers.info/world-population/south-korea-population/>

### GDP

South Korea is the 10<sup>th</sup> largest economy by nominal GDP. Its national debt in 2019 was (695,692 million of dollars), (42.13% debt-to-GDP ratio) and its public debt per capita is \$13,454 dollars per inhabitant.

The last annual rate of CPI published in South Korea was in December of 2018 and it was 1.3%.

In terms of the human development index (HDI) of South Korea, which is the index used by the United Nations to measure the progress of a country, was 0.916 points in 2019, leaving it in 23rd place in the table of 189 countries published.

Source - <https://countryeconomy.com/countries/south-korea>

The Gross Domestic Product (GDP) in South Korea was worth 1630.53 billion US dollars in 2020, according to official data from the World Bank. The GDP value of South Korea represents 1.44 percent of the world economy.

Source - <https://tradingeconomics.com/south-korea/gdp>

### Import / Export

<b>Export goods</b>	<ul style="list-style-type: none"> <li>Integrated Circuits 15.35%</li> <li>Machinery 12.81%</li> <li>Vehicles and their parts 11.34%</li> <li>Mineral Fuels 7.01%</li> <li>Plastics 5.86%</li> <li>Iron and Steel 4.23%</li> <li>Instruments and Apparatus 4.16%</li> <li>Organic Chemicals 3.85%</li> <li>Others 35.39%</li> </ul> <p>(2019)<sup>[14]</sup></p>	<b>Import goods</b>	<ul style="list-style-type: none"> <li>Mineral Fuels 25.01%</li> <li>Machinery 9.17%</li> <li>Integrated Circuits 7.08%</li> <li>Instruments and Apparatus 4.88%</li> <li>Vehicles and their parts 3.23%</li> <li>Ores, Slags and Ash 3.13%</li> <li>Iron and Steel 3.02%</li> <li>Organic Chemicals 2.62%</li> <li>Others 41.86%</li> </ul> <p>(2019)<sup>[14]</sup></p>
<b>Main export partners</b>	<ul style="list-style-type: none"> <li> China(-) 25.87%</li> <li> ASEAN(+) 17.37%</li> <li> United States(+) 14.46%</li> <li> European Union(+) 9.34%</li> <li> Hong Kong(-) 5.98%</li> <li> Japan(+) 4.90%</li> <li> Taiwan(+) 3.21%</li> <li> Russia(-) 1.35%</li> <li>Others 17.52%<sup>[13]</sup></li> </ul>	<b>Main import partners</b>	<ul style="list-style-type: none"> <li> China(+) 23.28%</li> <li> United States(-) 12.29%</li> <li> European Union(-) 11.87%</li> <li> ASEAN(-) 11.72%</li> <li> Japan(-) 9.84%</li> <li> Australia(-) 4.00%</li> <li> Taiwan(+) 3.81%</li> <li> Saudi Arabia(-) 3.42%</li> <li>Others 19.77%<sup>[13]</sup></li> </ul>

Source - [https://en.wikipedia.org/wiki/Economy\\_of\\_South\\_Korea](https://en.wikipedia.org/wiki/Economy_of_South_Korea)

### IMF Economy and Response to COVID-19

Source - <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#Southkorea>