



National Tax Service

**TAX WHISTLEBLOWER REWARD PROGRAM
REPUBLIC OF KOREA
NATIONAL TAX SERVICE**

The National Tax Service of the Republic of Korea has established two whistleblower reward programs. One concerns tax evasion and the second covers foreign accounts.

*Program 1
Tax Evasion Informant Reward Program*

- **Basis for Qualifying for a Reward:** An individual with “*significant information*” on tax law violations could disclose their evidence to the NTS, and if proven true, could qualify for a large monetary reward of between 5% and 20% of the proceeds collected (exceeding 50 million won [\$44k], up to 4 billion won [\$3.5M]) by the NTS as a result of the informant’s disclosure.
- **Basic Requirements** (must meet all the requirements):
 - The informant must write or state full legal name and address.
 - The informant must present a signature, seal or any other documents to satisfy proof of identity.
 - The informant must provide an objective and credible evidence.
- **“Significant Information”:**
 - All available documentation to substantiate the claim including financial records, bank account numbers, and information identifying the disputed transactions or analyses (dates, duration, items, amount, etc).
 - Specific and credible information concerning the person(s) or transaction activities that the informant believes have violated the tax laws.
- **When Rewards are Distributed:** The informant will not receive the reward until the NTS obtains the money from the delinquent taxpayer. The rewards are distributed within two months after the litigation concludes with finality or the deadlines for appealing the payments or obtaining a refund expire.
- **Confidentiality:** The NTS is committed to ensure privacy and confidentiality of the filing information and the informant’s identity including all foreign nationals.

Program 2
Foreign Financial Account Report Reward Program

- **Basis for Qualifying for a Reward:** The informant is entitled to a reward if the “*significant information*” provided led to a successful enforcement resulting in an order of monetary sanctions exceeding 20 million won (approximately \$18k). The amount of the reward falls between 5% and 15% of the collected sanctions (up to 2 billion won [\$1.8M]).
 - The foreign financial account report violation is when the foreign financial account holder fails to report the account or reports it inaccurately.
 - The qualified information should only be concerning the foreign financial account report violation, which includes foreign financial accounts that aggregate value exceeded 1 billion won at any time at the end of every month.
 - The foreign financial account holders refer to residents or domestic corporations that have cash, stocks, bonds, insurance policies with a cash value, and any other foreign financial assets under the foreign financial accounts that total value of assets exceeded 1 billion won at any time at the end of every month.
 - The foreign financial accounts include bank accounts, securities accounts, commodity futures or options accounts, or any other financial accounts created by the foreign financial institutions.
- **Basic Requirements** (must meet all the requirements):
 - The informant must write or state full legal name and address.
 - The informant must present a signature, seal or any other documents to satisfy proof of identity.
 - The informant must provide an objective and credible evidence.
- **“Significant Information”:**
 - All available documentation to substantiate the claim including account holder’s name, account numbers, and account balance. (i.e. copy of bank statement, certificate of deposit balance, etc.)
- **When Rewards are Distributed:** The informant will not receive the reward until the NTS obtains the money from the delinquent taxpayer. The rewards are distributed within two months after the litigation concludes with finality or the deadlines for appealing the payments or obtaining a refund expire.
- **Confidentiality:** The NTS is committed to ensure privacy and confidentiality of the filing information and the informant’s identity including all foreign nationals.

Contact information for the Korean National Tax Service Whistleblower Program:
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Tax Whistleblower in Republic of Korea

🍌 Korean Tax Authority Pays Awards

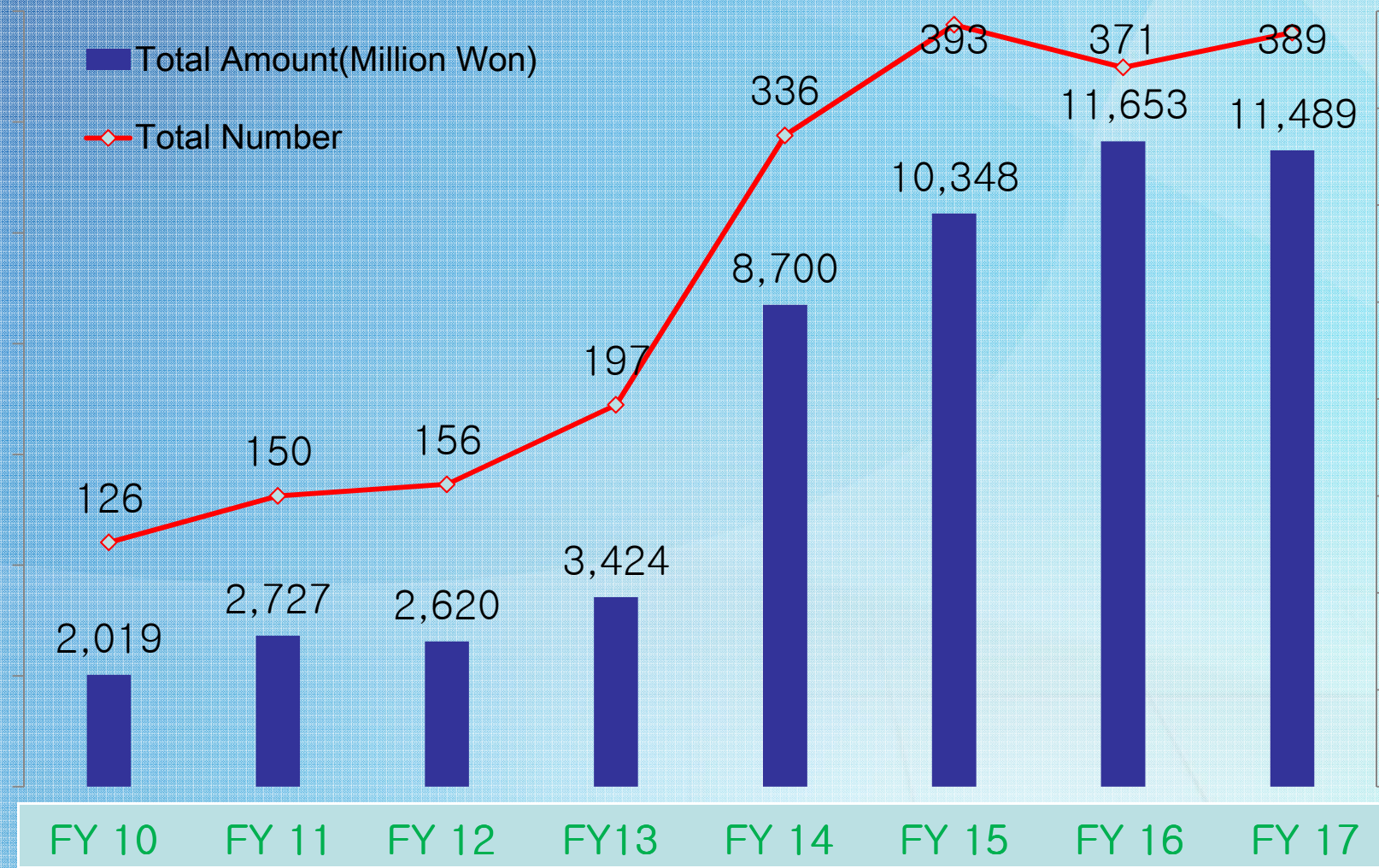
■ Whistleblowers help collect taxes

- The National Tax Service(NTS) has established two whistleblower reward programs
 - Tax Evasion Informant Reward Program(since 1951)
 - Foreign Financial Account Report Reward Program(since 2012)

■ Situation in South Korea

- The cultural aspect has made whistleblowing more challenging in South Korea
 - Emphasis on the community or group, Collectivism, and Top-down Culture
- Protection of Public Interest Reporters Act has NOT applied to Tax Whistleblowers

Awards Paid, Fiscal Year 2010 to 2017



● Tax Evasion Informant Reward Program

■ Basis for Qualifying for a Reward

- An individual with “*significant information*” on tax law violations could disclose the evidence
 - Whistleblowers qualify for a monetary reward under the Framework Act on the National Taxes
 - 5% and 20% of the proceeds collected by the NTS as a result of the informant’s disclosure
 - Up to 4 billion Won(\$3.5 Million)

■ Significant Information

- All available documentation to substantiate the claim including financial records, bank account numbers, and information identifying the disputed transactions or analyses
- Specific and credible information concerning the person(s) or transaction activities that the informant believes have violated the tax laws

Foreign Financial Account Report Reward Program

Basis for Qualifying for a Reward

- The informant is entitled to a reward if the “*significant information*” provided led to a successful enforcement
 - Whistleblowers qualify for a monetary reward under the Framework Act on the National Taxes
 - 5% and 15% of the proceeds collected by the NTS as a result of the informant’s disclosure
 - Up to 2 billion Won(\$1.8 Million)
 - If informant report both programs, NTS pays both rewards(up to \$5.3 Million)

Significant Information

- All available documentation to substantiate the claim including account holder’s name, account numbers, and account balance (i.e. copy of bank statement)

● Description of Payment Procedure

■ When Rewards are Distributed

- The informant will not receive the reward until the NTS obtains the money from the taxpayer
- The rewards are distributed within two months after the litigation concludes with finality or the deadline for appealing the payments or obtaining a refund expires

■ Confidentiality

- The NTS is committed to ensure privacy and confidentiality of the filing information and the informant's identity of all foreign nationals
- Contact information: taxkorea@protonmail.com or www.nts.go.kr

Cultivation of Well-placed Insiders

Offshore tax evasion is on the rise but it is extremely difficult to hunt it down without whistleblowers due to the number of countries involved in the process

