



IFEZ Song-do 6&8 District Development RFP

(RFP Informational Teaser)

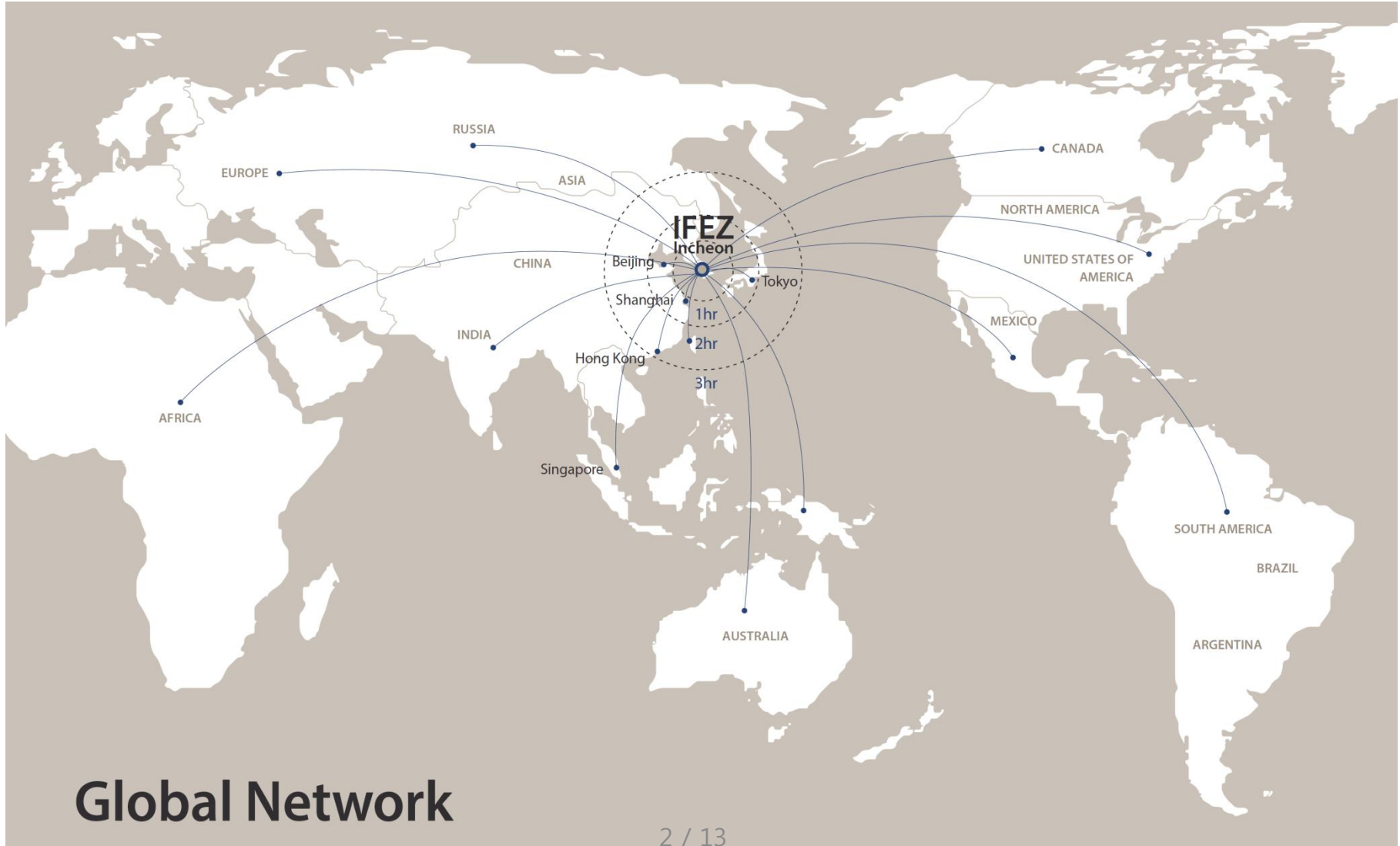
Statement : The purpose of this Memorandum is to supply basic information on the Project Incheon Free Economic Zone Authority reserves the right to make additions, corrections and amendments here of. This Memorandum contains statements, estimates and projections relating to the future business of the Project. Since these assumptions need not necessarily prove true, it is not possible to give any guarantees or warranties as to the precision and reliability of such statements, estimates, and projections.

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Center of Global Network

- reaching 2billion people with 3hour flight
- 61cities having a population of more than 1 million



IFEZ Business Triangle



Size : 123.6km²



Infrastructure Cost : KRW 47.400 trillion



Estimated population : 537,000 people

Songdo

Size : 53.4km²

Infrastructure cost : KRW 21.5442 trillion

Project period : 2003~2020

Estimated population : 264,390 people

Development direction : International business, IT·BT, R&D

Yeongjong

Size : 52.4km²

Infrastructure cost : KRW 24.7855trillion

Project period : 2003~2020

Estimated population : 182,376 people

Development direction : Aviation · logistics, tourism · leisure

Cheongna

Size : 17.81km²

Infrastructure cost : KRW 6.7071 trillion

Project period : 2003~2018

Estimated population : 90,000 people

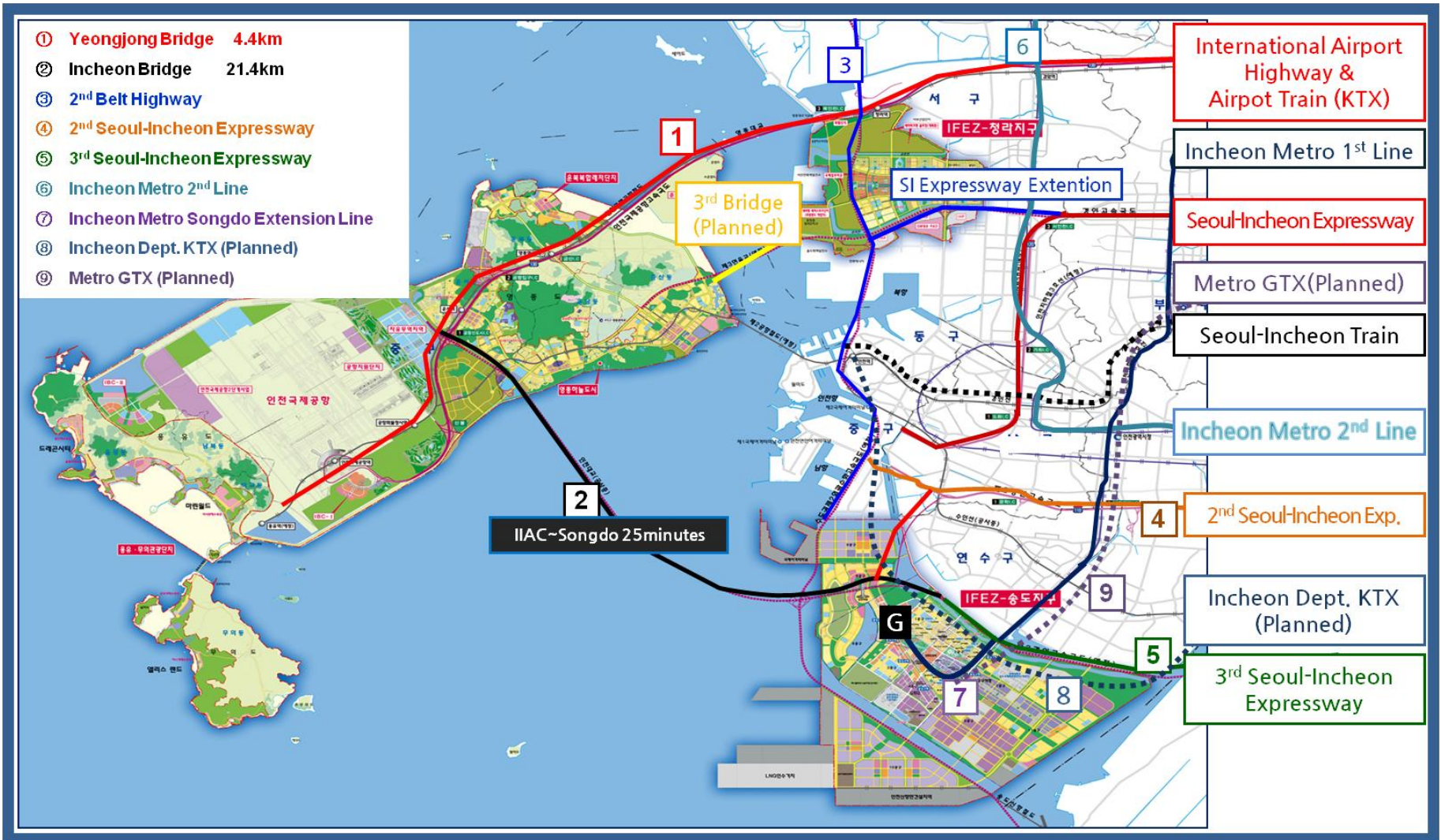
Development direction : Finance, Advanced Industry

Business Triangle

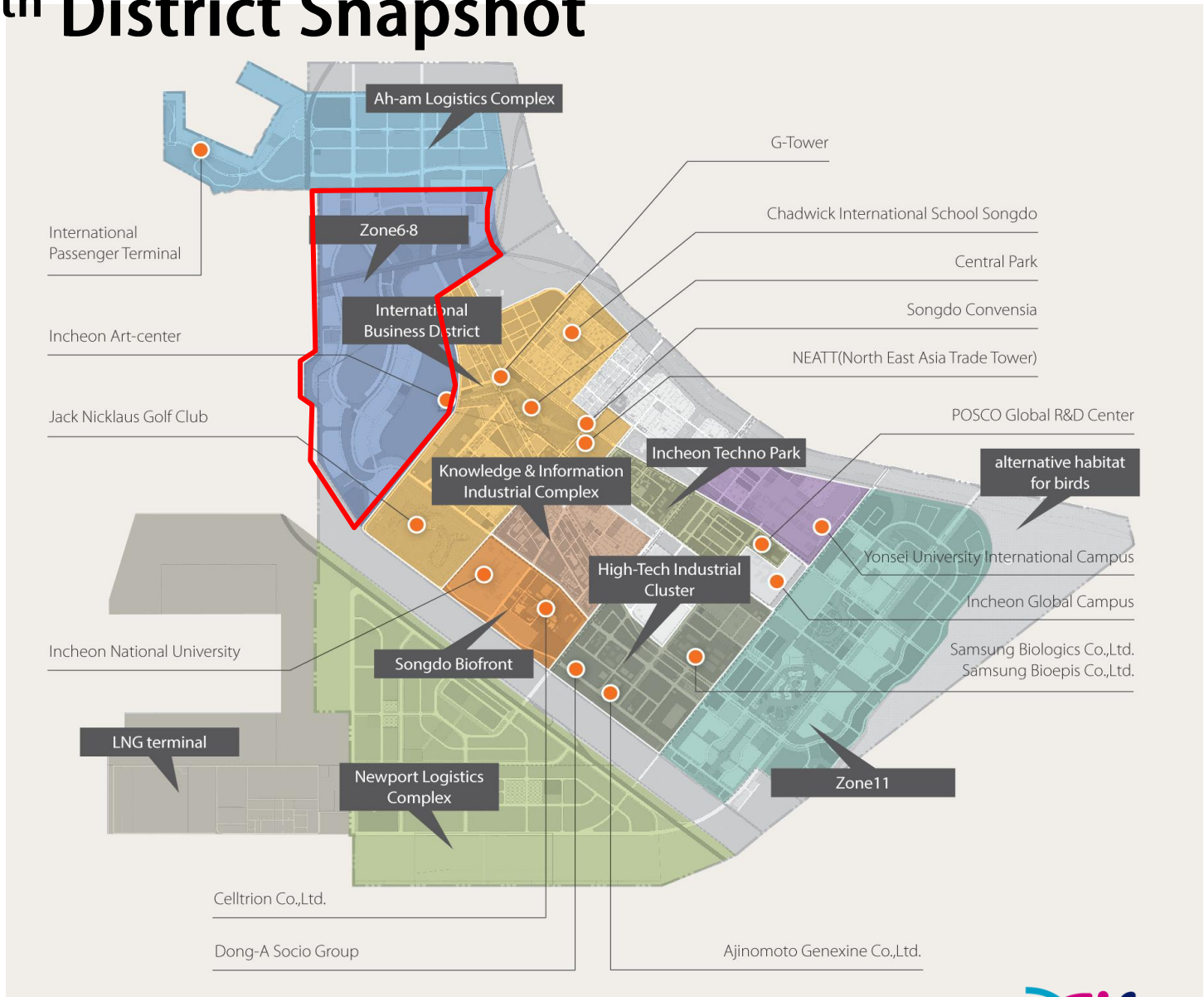
IFEZ divided into three district-Songdo, Yeongjong and Cheongna. It has been developed as customized projects considering each area's characteristics.



IFEZ Local Transportation System



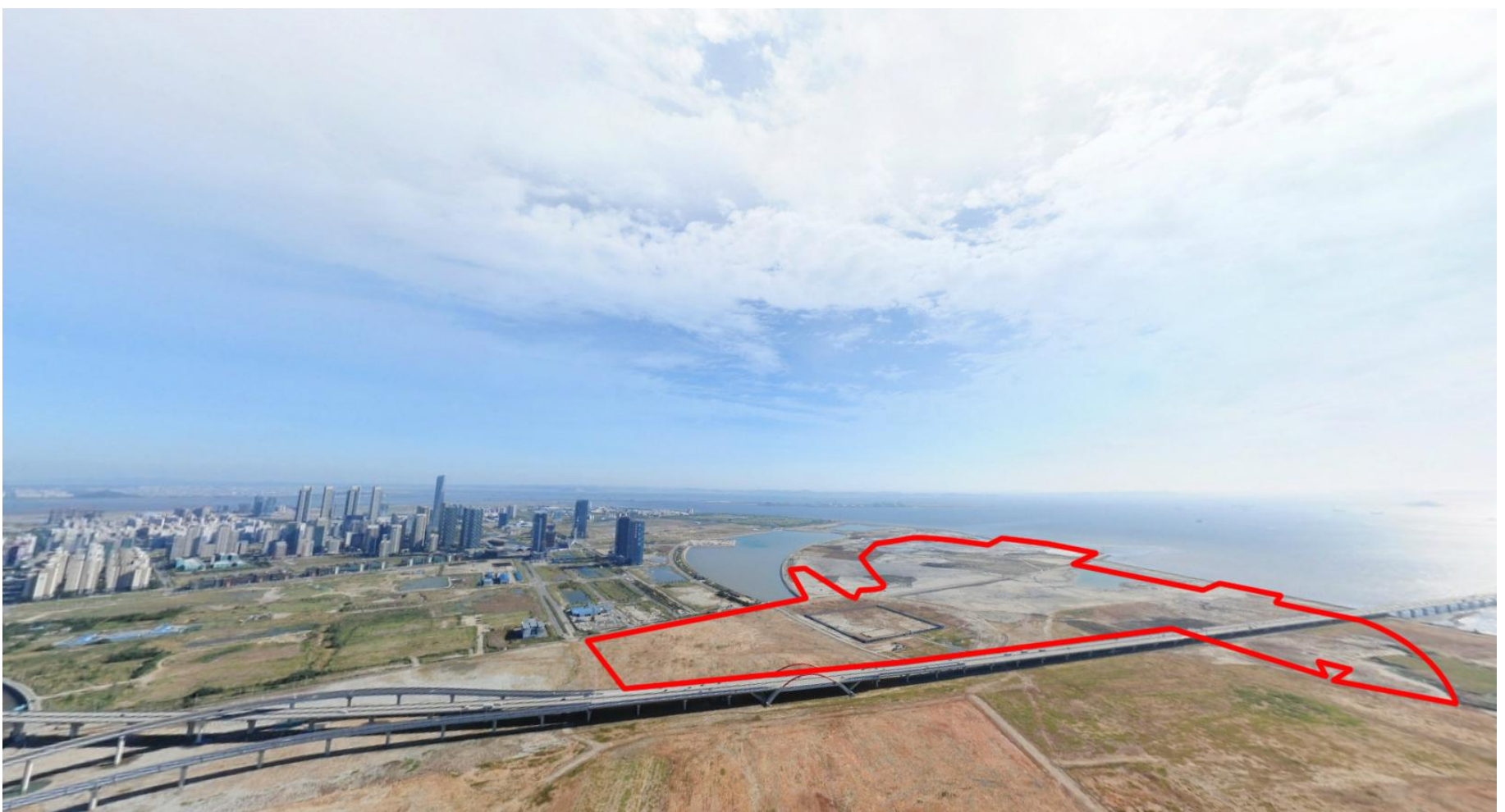
6th & 8th District Snapshot



Current Song-do Development



Site View (from North)



Site View (from East)



RFP Information

- Incheon Free Economic Zone Authority(IFEZ) announced that it will issue a Request for Proposal(RFP) to appoint "Preferred bidder for 6th & 8th District of Songdo International City" in December 2016.
- The purpose of RFP is to provide fair and transparent opportunity to local & international developers to be appointed as a "Preferred bidder" for 6th & 8th district of Songdo International City. This development project has a vision not only to establish symbolic land mark which will be center of global business in Korea, that serves MICE, tourism, leisure, medical and cultural purposes, but also to create long-term growth engine for local business.
- The proposed development site is center of 6th & 8th district that is area up to 1,281,078m² (316.56acre). This includes Commercial, Sports, Parks and Recreation, Mixed Used, Residential Zone and etc. The RFP will include submission of development concept and business plan for the anchor facility. The development proposal will be reviewed by evaluation committee. The RFP will be issued in December and the "Briefing Session" will be held 2017 January. The RFP is expected to be closed on March 2017 and target to appoint "the Preferred bidder" by April 2017 after the committee's evaluation.
- IFEZ is anticipated this RFP will bring symbolic land mark development project which represent Incheon and become economic growth engine. The detailed guideline for RFP will be posted on IFEZ website. (www.ifez.or.kr).

Tax incentives for enterprises with foreign investment

“Foreign investors” who invest in IFEZ in keeping with the qualifications that are prescribed by the Tax Incentive System such as the Restriction of Special Taxation Act with respect to foreign investment, will be offered tax exemption incentives.



	Category		Benefits		Investment Requirements
Foreign-invested companies in IFEZ	National tax		Corporate tax Income tax	Tax benefits for 5 years • First 3 years : 100% exemption • The following 2 years : 50% reduction	• Manufacturing : \$10 million or more • Tourism : \$10 million or more • Logistics : \$5 million or more • Medical institutions : \$5 million or more • R&D : \$1 million or more • Service : \$10 million or more
				Tax benefits for 7 years • First 5 years : 100% exemption • The following 2 years : 50% reduction	• Manufacturing : \$30 million or more • Tourism : \$20 million or more • Logistics : \$10 million or more • R&D : \$2 million or more
			Tariff	100% exemption for 5 years	Imported capital goods only
	Local tax	Municipal tax	Acquisition tax	100% tax exemption for up to 15 years in accordance with local ordinances	
		Gu tax	Property tax	Tax reductions for up to 15 years in accordance with local ordinances	
Developer	National tax		Corporate tax Income tax	Tax benefits for 5 years • First 3 years : 100% exemption • The following 2 years : 50% reduction	Foreign investment of over \$30 million or a foreign investment ratio of over 50 %, and a total development project cost of over \$500 million development
			Tariff	100% exemption for 5 years	Imported capital goods only
	Local tax	Municipal tax	Acquisition tax	100% tax exemption for up to 15 years in accordance with local ordinances	Foreign investment of over \$30 million or a foreign investment ratio of over 50 %, and a total development project cost of over \$500 million development
		Gu tax	Property tax	Tax reductions for up to 15 years in accordance with local ordinances	Foreign investment of over \$30 million or a foreign investment ratio of over 50 %, and a total development project cost of over \$500 million development

※ This benefit are under current legislation

※ The IFEZ offer exemptions or reductions in corporate tax, income tax, tariffs, acquisition tax and property tax for foreign-invested resident firms and developers, based on Special Act on Designation and Management of FEZs and Restriction of Special Taxation Act.

Real Estate Investment Immigration System

Outline of implementation



Period of Implementation

2013. 5.1 ~ 2023. 4.30

Investment Amount

KRW 500 million or more

Investment Subject

Leisure condominiums, hotels, residential accommodation, residential houses linked to sports centers, vacation homes (will be excluded from May 1, 2018), pensions, apartments that are confirmed as unsold by September 30, 2015.

The Ministry of Justice Notification No. 2015-317

Announcement about investment area, investment subject, and standard amount of investment of the real estate relevant to the qualification list, 'J' of Resident(F-2)Visa in Article 27 of the attached table No.1 of 「Enforcement Decree of the Immigration Control Act」

Investment Benefits

- Same Visa will be issued to investor's spouse and infant children
- Allowed to freely enter, depart, live, work, run own business, and study in Korea and be covered and enjoy the benefits of the same medical insurance system that Korean citizens enjoy

Disqualification

- Person on whom a fine has been imposed or who has been convicted of a criminal offence
- Person banned from entry or who is deemed to be a threat to the interests of the country
- Case of submitting a fake document
- When the real estate is sold, rented, mortgaged or repossessed
- When the real estate is used to produce profit

Guidance on Real Estate Investment Immigration System as a linked investment

- The standard amount of real estate investment immigration is KRW 500 million. When you fall short of this amount, you can also invest in a public project investment immigration product and combine these two amounts.

Ex) Real Estate Investment KRW 400 million + Public Project Investment KRW 100 million = KRW 500 million

What is the Public Project Investment Immigration System?

- It is a system to issue Permanent Residency Rights to the foreign investors who invest in the fund commissioned by the Ministry of Justice
- KDB Korean Development Bank, the Korean government's wholly-owned public enterprise, raises and operates the fund.
- It is a financial product with high stability wherein the entire capital is protected. However, revenue is not generated

6th & 8th District RFP site info

Specification			Area
Block	Site #	Usage	m'
R3	398-11	Commercial	14,555
R4	398-8		8,506
R5	399-1		37,741
R6	398-6		11,712
R7	399-4		58,553
Total			131,067
D1	393-3	Residential (Independent Housing)	11,755
D2	393-6		14,911
D3	394-4		46,050
D4	394-5		47,534
Total			120,250
A7	392-1	Apartment Complex	63,137
Total			63,137
S1	320	Sports (Golf)	125,854
S2	393-1		223,300
S3	394-1		368,248
Total			717,402
M3	395-9	Complex Housing	37,474
M4	395-11		40,993
M6	328		170,755
Total			249,222
Grand Total			1,281,078

IFEZ will issue Request For Proposal 2016 December.
(www.ifez.go.kr/eng : IFEZ News)



Expected population : 72,000
Mixed use Urban Development



※ NP# : Public Parks

316.56 acre

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