

Goods exempt from value added tax (Source: Value-added Tax Act)

Article 26 (Supply of Tax-Free Goods or Services) (1) A supply of any of the following goods or services shall be exempt from value-added tax: <Amended by Act No. 13474, Aug. 11, 2015; Act No. 13805, Jan. 19, 2016; Act No. 16101, Dec. 31, 2018>

1. Unprocessed foodstuffs (including agricultural products, stock farm products, marine products, and forest products which are served for food), and agricultural products, stock farm products, marine products, and forest products which are produced in the Republic of Korea and are not served for food and which are prescribed by Presidential Decree;
2. Tap water;
3. Briquettes and anthracite coal;
4. Menstrual hygiene products;
5. Medical and health services (including veterinary services) prescribed by Presidential Decree, and blood;
6. Educational services prescribed by Presidential Decree;
7. Passenger transport services: Provided, That any of the following passenger transport services prescribed by Presidential Decree shall be excluded herefrom:
 - (a) Passenger transport services by aircraft, express buses, chartered buses, taxis, special vehicles, special-type ships, or rapid-transit trains;
 - (b) Passenger transport services by cable ways, cruise ships, or any other means of transportation for tourism or entertainment;
8. Books (including book-lending services), newspapers, magazines, official gazettes, news communications prescribed by the Act on Promotion of News Communications, and broadcasting, which are prescribed by Presidential Decree: Provided, That advertisements shall be excluded;
9. Postage stamps (excluding those for collection), revenue stamps, certificate stamps, lottery tickets, and public telephones;
10. Tobacco as defined in Article 2 of the Tobacco Business Act, which is any of the following:
 - (a) Tobacco whose selling price under Article 18 (1) of the Tobacco Business Act is not more than the amount of money prescribed by Presidential Decree;
 - (b) Tobacco for special use under Article 19 of the Tobacco Business Act, which is prescribed by Presidential Decree;
11. Financing and insurance services prescribed by Presidential Decree;
12. Lease of housing and its appurtenant land, which is prescribed by Presidential Decree;
13. Lease of daycare centers attached to collective housing as welfare facilities defined in subparagraph 14 of Article 2 of the Housing Act by the managing bodies defined in Article 2 (1)

10 of the Multi-Family Housing Management Act or by the councils of occupants' representatives defined in Article 2 (1) 8 of the same Act pursuant to the management rules established under Article 18 (2) of the same Act;

14. Land;

15. Personal services prescribed by Presidential Decree, which authors, composers, or other persons provide professionally;

16. Creative works of art, artistic events, cultural events, or amateur athletic games, which are prescribed by Presidential Decree;

17. Admission to libraries, science halls, museums, art galleries, zoos, botanical gardens, or other places prescribed by Presidential Decree;

18. Goods or services which are supplied by any organizations for religion, charity, scholarship, relief, or other public interest and which are prescribed by Presidential Decree;

19. Goods or services which are supplied by the State, local governments, or local government associations and which are prescribed by Presidential Decree;

20. Goods or services which are supplied free of charge to the State, local governments, local government associations, or organizations for public interest prescribed by Presidential Decree.

(2) A supply of goods or services ordinarily incidental to the supply of the goods or services exempt from tax under paragraph (1) shall be deemed to be included in the supply of the tax-free goods or services.

Article 27 (Importation of Tax-Free Goods) An importation of any of the following goods shall be exempt from value-added tax:

1. Unprocessed foodstuffs (including agricultural products, stock farm products, marine products, and forest products which are served for food) which are prescribed by Presidential Decree;

2. Books, newspapers, and magazines, which are prescribed by Presidential Decree;

3. Goods which are imported by academic research organizations, educational institutions, the Korea Educational Broadcasting System established under the Korea Educational Broadcasting System Act, or cultural organizations for scientific, educational, or cultural purposes and which are prescribed by Presidential Decree;

4. Goods which any foreign country donates to religious, charitable or relief organizations for the purposes of religious rites, charity, relief, or other public interest and which are prescribed by Presidential Decree;

5. Goods which any foreign country donates to the State, local governments, or local government associations;

6. Low-priced and duty-free goods that are received by residents;

7. Goods imported as a result of relocation, immigration, or inheritance, which are exempt from customs duties or to which the simplified tariff rates in Article 81 (1) of the Customs Act apply;
8. Personal effects, separately delivered baggage, and mailed parcels of travelers, which are exempt from customs duties or to which the simplified tariff rates in Article 81 (1) of the Customs Act apply;
9. Goods imported as samples or advertising materials, which are exempt from customs duties;
10. Goods which are imported, free of charge, for the purpose of display in any fairs, exhibitions, prize contests, film festivals, or other similar events held in the Republic of Korea and which are exempt from customs duties;
11. Goods which are exempt from customs duties in accordance with treaties, international laws and regulations, or international customs and which are prescribed by Presidential Decree;
12. Goods re-imported after exportation, as prescribed by Presidential Decree, from among those eligible for duty reductions or exemptions: Provided, That in cases of a duty reduction, the value-added tax exemption shall only be given in proportion to such reduction;
13. Goods imported temporarily under conditions of re-exportation, as prescribed by Presidential Decree, from among those eligible for duty reductions or exemptions: Provided, That in cases of a duty reduction, the value-added tax exemption shall only be given in proportion to such reduction;
14. Tobacco provided for in Article 26 (1) 10;
15. Duty-free or duty-reducible goods, other than those under subparagraphs 6 through 13, which are prescribed by Presidential Decree: Provided, That in cases of a duty reduction, the value-added tax exemption shall only be given in proportion to such reduction.