

BIFC

B U S A N I N T E R N A T I O N A L
F I N A N C E C E N T E R

New Financial Continent !

Welcome to Busan International Finance in Busan, Korea, the leading trade harbor in the Pacific rim as well as the only city specialized in maritime finance and derivatives in the world.



Busan, Korea

Rapidly Advancing City of Hope and Opportunities!



01

Strengths of Busan

- Global logistics hub** >> Terminal of transcontinental rail roads linking Eurasia continent; gateway from oceans to continents; advance base of North Pole Route
- Hub of large economic bloc** >> The center of Southeast Asia Economic Zone with large-scale clusters of industry including a shipbuilding industry, automotive industry, heavy chemical industry, and port logistic industry
- World's best financial infrastructure** >> High-tech International Finance Center, Korea Exchange ranked world's top in derivatives transaction and CERs exchange ※ Ranked 27th by GFCI in March 2014.
- Best living environment in Northeast Asia** >> Openness, superior city infrastructure, low costs, a variety of recreational sports facilities, pleasant climate, and clean air

02

Vision of Busan

- Financial hub** >> World's best financial hub specializing in maritime finance and derivatives by constructing multi-functional and multi-purpose cluster
- Industrial Distribution hub** >> Strengthened capacity as the distribution hub including construction of international industrial distribution city supporting Busan New Harbor
- IT hub** >> Completion of digital complex Centum City, formation of Busan Global Cloud Data Center, and attraction of backup centers including financial institutions
- Hub of culture and tourism** >> Development of culture and tourism park where nature and culture coexist including redevelopment of North Port and development of Dongbusan International Tourist Park

Statistics

Population

- 3,560,000 residents accounting for 6.9% of the national population of Korea (Southeastern Region: 7,960,000 residents accounting for 8.7% of the national population of Korea)

Economy

- GRDP : 70 trillion Won (USD 64 Billion), 4.9% of the Korea's total GRDP (GRDP of Southeastern Region : 239 trillion Won(USD 221 billion), accounting for 16.7% of the Korea's total GRDP)

Industrial Structure

- Service industry (65.4%), manufacturing industry (20.0%), finance and insurance industry (6.6%) (Southeastern Region : Service industry [44.4%], manufacturing industry [42.4%], finance and insurance industry [4.0%])

Major Industries

- Southeastern Region: shipbuilding, shipbuilding equipment automotive, automotive parts and components, aircraft, steel, oil refining, port logistics

Industries Promoted

- Southeastern Region: Wind power generation parts and components, nuclear power plant equipment, chemical fusion materials, intelligent machine parts, automotive parts and components of the next generation, aircraft, offshore plant equipment, green ships, shipbuilding equipment

Living Environment

Residential Environment

- Pleasant residential space including Marine City and Centum City

Educational Environment

- Good educational environment including 5 international schools, 25 colleges and universities, and FAU Graduate School of Germany

Medical Environment

- A variety of qualified medical facilities including 27 general hospitals and 9 oriental clinics

Facilities for Foreigners

- Broadcasting in English (e-Busan), administrative service in diverse languages, medical tourist information center for foreigners, European Union Chamber of Commerce in Korea Busan Office

Temperature and Precipitation

- Warm and clean oceanic climate
 - Temperature: annual average temperature of 14.7°C, 24.1°C on average during summer (June to Aug.), 4.7°C on average during winter (Dec. to Feb)
 - Precipitation: 1,519mm per year

Culture and Tourism

A variety of pleasant tourist attractions

- Shinsegae Department Store, Centum City(the world's largest department store)
- Dadaepo 'Sunset Fountain of Dream' • Haeundae Beach
- UN Memorial Cemetery • Dongnae Hot Springs
- Geumjeong Mountain Fortress and etc.

Shopping

- big department stores and 12 five-star hotels

Performance

- 83 performance halls, 27 history and art museums
- 32 libraries and 14 culture centers, 28 theaters

Leisure

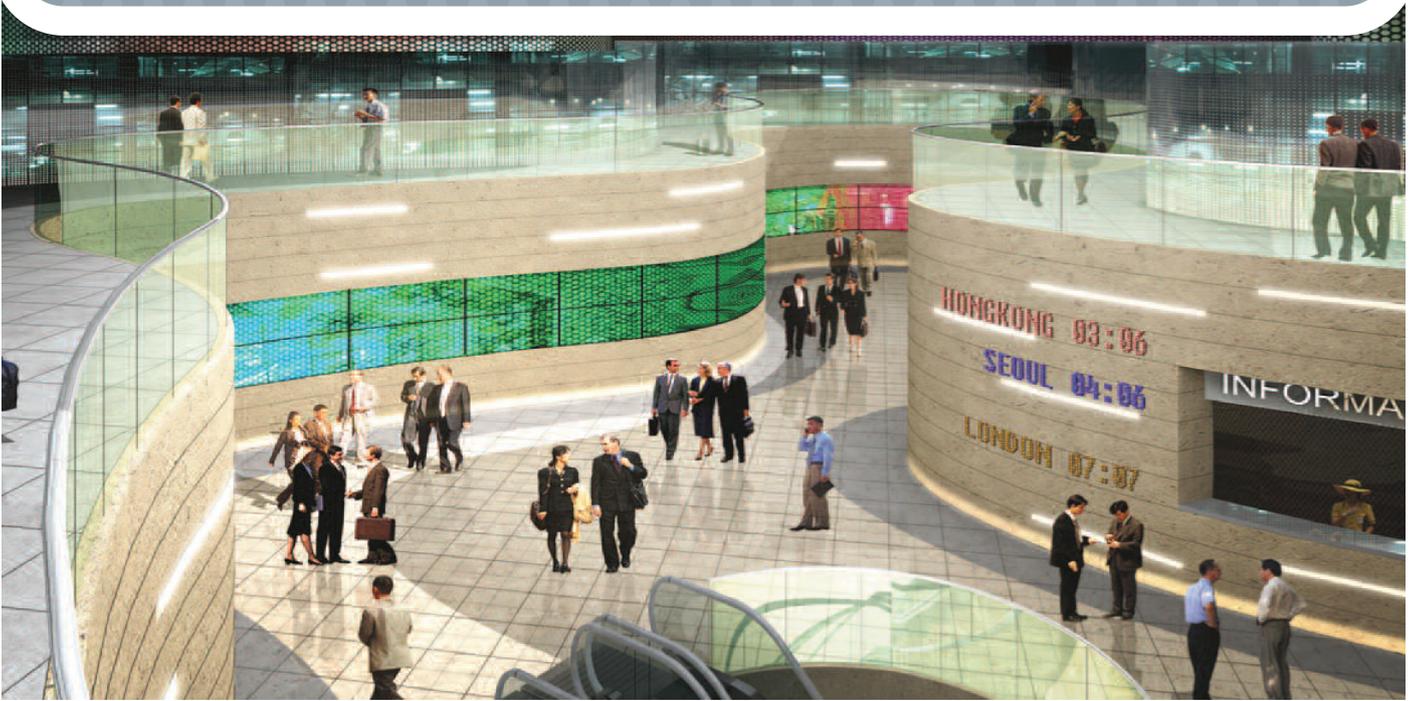
- hiking, trekking, golf, yachting, cruises, fishing etc.

International Events

- Busan International Film Festival (BIFF, one of 8 World Film Festivals), Busan Biennale, Busan Marine Week, and a variety of international finance conferences

Globalization

- Foreign Residents: 38,000 residents in Busan; 118,000 residents in Southeastern region
- Foreign Businesses: 790 companies in Busan; 870 companies in Southeastern Region
- French and German Culture Centers
- Consulate Offices of USA, Japan, Russia, and China
- 26 sister cities in 23 countries



Busan Financial Hub Model

Vision ▶ Be the financial hub specialized in maritime finance and derivatives

Goals

- Specialized in Maritime Finance**
 - ▶ Cluster financial firms specialized in ship and shipping finance
 - ▶ Build Marine Business Cluster including establishment of marine exchange
- Specialized in Derivatives**
 - ▶ Activate the derivatives market through Korea Exchange
 - ▶ Develop derivatives and establish the individual commodity exchange
- Back Office and Backup Center**
 - ▶ Promote the construction of international electronic finance network through international sea-bed network (gateway office of international sea-bed network cable is in Busan)
 - ▶ Attract the integrated backup center of domestic financial institutions



Strategies for Busan to be Financial Hub

- Activate maritime Finance**
 - >> Attract financial institutions specialized in ships and shipping finance
 - >> Establish organizations specialized in ships and shipping finance
 - >> Building a shipping business cluster

- Activate Derivatives**
 - >> Develop new derivatives
 - >> Advance transaction system and enhance convenience and efficiency
 - >> Manage Over-the-Counter Derivatives Central Counter Party and CERs Exchange

- Attract Back Office / Backup Center**
 - >> Strengthen the infrastructure including construction of backup center and computing center
 - >> Attract backup centers of government organizations and financial institutions
 - >> Attract data centers of foreign companies (including MS)



Status of Busan International Finance Center(BIFC)

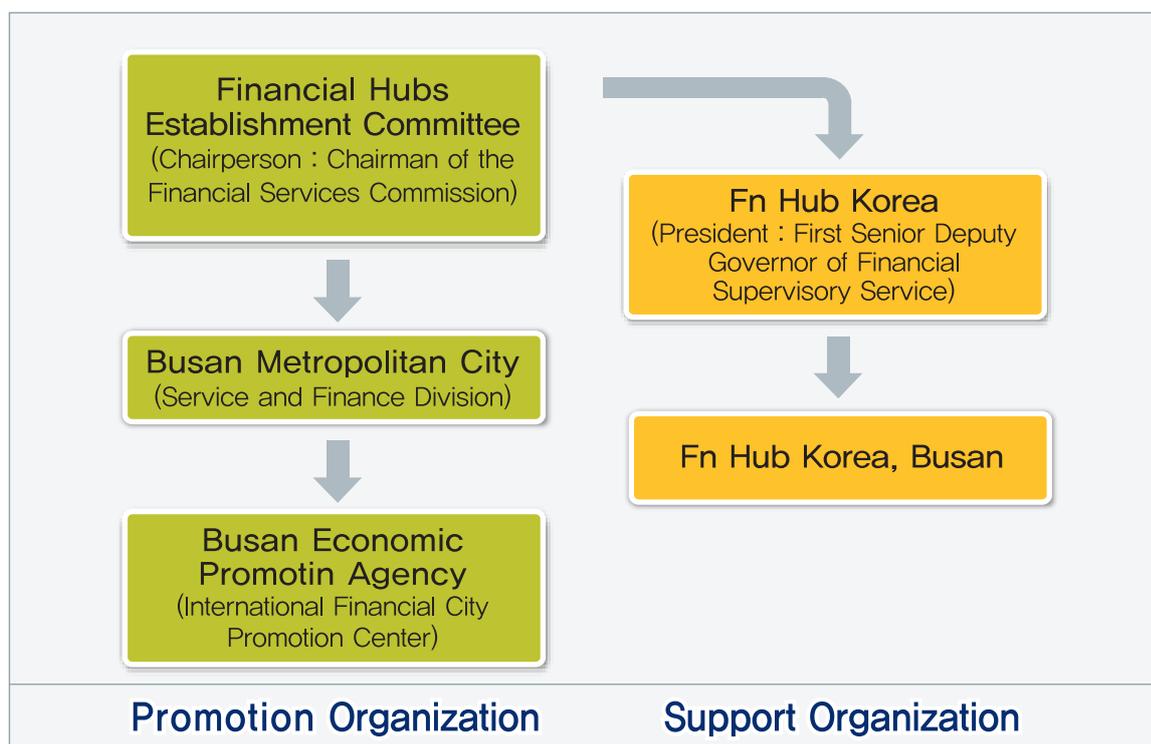
- **Creation**
 - ▶ Designation : Maritime and Derivatives Financial Hub(Jan. 2009)
 - ▶ Location : Munhyeongeumyung-ro 40, Nam-gu, Busan
 - ▶ Land Space : 102,352 m²
 - ▶ Development
 - Complete 1st stage complex development(Jun. 2014)
 - Complete 3 individual premises development(Jul. 2014)
 - Promote 2nd and 3rd stages complex development(from 2015)

■ Institutions Residing in BIFC (as of May 2015)

	Total	Headquarters*	Regional Headquarters	Branch	Subbranch	Public Institution	Private Institution
Banks	7	1	2	3	1	2	5
Asset Management Companies	3	1		2		0	3
Guarantee/ Insurance Companies	6	3	2	1		4	2
Financial Infrastructures and etc.	7	4	1	2		4	3
Non-financial Institutions	1	1				1	0
Total	24	10	5	8	1	11	13

* Korea Exchange, Korea Securities Depository, Korea Asset Management Corporation, Korea Housing Finance Corporation, Korea Housing Guarantee, Korea Southern Power Corporation, Korea Maritime Guarantee Corporation, BNK Busan Bank, KAMCO Ship Investment Management Corporation, Korea Technology Finance Corporation

■ Organizations to Promote BIFC



■ BIFC's Incentive System | Foreign Financial Institutions

Types	Targets	Description			
		Establishment of Headquarters/ Regional Headquarters	Establishment of Branch	Relocation of Headquarters/ Regional Headquarters within Korea	Relocation Branch within Korea
		(Overseas ▷ Busan)		(Other Regions in Korea ▷ Busan)	
Corporate Tax ¹⁾ Income Tax ¹⁾		100% tax exemption for three years from the first tax year when the first income is made, 50% for the next two years		Not relevant	
Property Tax ¹⁾²⁾	Financial institution with an investment of over 2 billion Won and more than 10 regular workers	100% tax exemption for three years from the first date when tax liability is formed		Not relevant	
Acquisition Tax ¹⁾³⁾		100% tax exemption for acquired property within 15 years from establishment date of business		Not relevant	
Entrance Subsidy ⁴⁾	Regional headquarters in Korea managing more than 3 countries or head headquarters in Korea	Up to 50% of the expenses to purchase land or buildings or rent (up to 5 billion Won per institution)	Not relevant	Up to 50% of the expenses to purchase land or buildings or rent (up to 5 billion Won per institution)	Not relevant
Employment Subsidy ⁴⁾	Financial institute with more than 10 regular workers for the last 3 months	Up to 600,000 Won per new employee after movement to BIFC (for up to 6 months, up to 200 million Won per institution)			
Education/ Training Subsidy ⁴⁾	Financial Institution with training for more than one month to recruit more than 10 Korean employees	Up to 600,000 Won for education/training per new employee after movement to BIFC (for up to 6 months, up to 200 million Won per institution)			
Business Facility Installation Expenses ⁴⁾	Financial institution with more than 10 regular Korean employees	Up to 10% of the expenses required for installation of business facilities (up to 1 billion Won per institution)			

※ Applicable Act

- 1) 21 of Article 121 of the Restriction of Special Taxation Act and 26 of Article 116 of the enforcement ordinance
- 2) 1 of Article of Busan Metropolitan City Nam-gu Tax Exemption Ordinance (according to clause 3, 21 of Article 121 of the Restriction of Special Taxation Act)
- 3) 2 of Article 12 of Busan Metropolitan City Tax Exemption Ordinance (according to clause 3, 21 of Article 121 of the Restriction of Special Taxation Act)
- 4) Ordinance of the Busan Metropolitan City Financial Industry Cultivation (Article 5, 6, 7, 8, 12)

New Finance Stream! New Commerce Stream! New Culture Stream!

Busan, the city of enthusiasm embracing the world as well as 5 oceans and 6 continents!
Busan takes the great leap to be a global finance city in Asia through the **Busan International Finance Center**.

