# SEOUL METROPOLITAN GOVERNMENT ORDINANCE ON COLLECTION OF MUNICIPAL TAXES

Enactment No. 6467, May. 18, 2017
Whole Amendment No. 6992, Jan. 03, 2019
Enactment No. null, Sep. 30, 2021
Partial Amendment No. 8430, Jul. 11, 2022

## Article 1 (Purpose)

The purpose of this Ordinance is to provide for matters mandated by the Local Tax Collection Act and the Enforcement Decree of the same Act and those necessary for the enforcement thereof.

## Article 2 (Relationship to Other Statutes and Regulations)

Except as otherwise provided in the Local Tax Collection Act (hereinafter referred to as the "Act"), the Enforcement Decree of the same Act (hereinafter referred to as the "Decree"), and the Enforcement Rule of the same Act (hereinafter referred to as the “Enforcement Rule of the Act”), the collection of municipal taxes of the Seoul Metropolitan Government (hereinafter referred to as "municipal taxes") shall be governed by this Ordinance.

## Article 3 (Restrictions on Government-Licensed Business)

The amount of delinquent taxes based on which a request for suspension, or revocation of a license, etc. of business can be made pursuant to Article 7 (3) of the Act shall be not less than one million won.

## Article 4 (Disclosure of List of Substantially or Habitual Delinquent Taxpayers)

The procedures for disclosing a list of substantially or habitual delinquent local taxpayers (referring to taxpayers with delinquent municipal taxes of at least 10 million won) and other necessary matters pursuant to Article 11 of the Act shall be as prescribed by rule of the Seoul Metropolitan Government.

## Article 5 (Collection Subsidies)

(1) Where the head of a Gu having jurisdiction over the place for tax payment of a taxable item collects and pays municipal taxes to the Seoul Metropolitan Government pursuant to Article 17 (1) of the Act, the Mayor of the Seoul Metropolitan Government (hereinafter referred to as the “Mayor”) shall grant collection subsidies under Article 24 (2) of the Decree to the relevant Gu by the end of the following month: Provided, That collection subsidies shall not be granted in cases of local education taxes and property taxes belonging to the Seoul Metropolitan Government.
(2) The amount of collection subsidies under paragraph (1) shall be calculated by applying the standard for subsidies that reflects the collected amount and the number of collection cases by 50% respectively.

## Article 6 (Selection of Institutions Specialized in Sale)

(2) The Mayor may designate institutions that satisfy all of the following requirements as institutions eligible to be selected as an institution specialized in sale under paragraph (1) (hereinafter referred to as "eligible institutions”) through a public bid, etc., and the selected institution shall fall under Article 91-1 (1) 1 of the Decree: <Amended on Jul. 11, 2022>

1. The average number of sales of art works, etc. conducted by the institution through auction for the immediately preceding two years from the year in which the date of public announcement falls shall be at least 10 times per year;
2. The institution shall be able to conduct sales using an information and communications network (referring to the information and communications network under Article 2 (1) 1 of the Act on Promotion of Information and Communications Network Utilization and Information Protection).

## Article 7 (Selection of Eligible Institutions)

(1) Where the Mayor intends to select eligible institutions pursuant to Article 6 (2), the qualification requirements, selection methods, etc. shall be publicly announced.
(2) Any business entity that intends to be selected as an eligible institution shall submit each of the following documents to the Mayor by the deadline specified in the public announcement under paragraph (1):
1. An application for designation as an institution specialized in sale of art works, etc.;
2. A proposal for conducting duties as a sales agency;
3. Documents evidencing the satisfaction of the requirements under each subparagraph of Article 6 (2);
4. Other documents evidencing expertise in sales and capability to perform sales-related duties.

(3) Where there is any defect or omission in the documents, etc. submitted under paragraph (1), the Mayor may request the supplementation or submission of documents by specifying a time limit of seven days from the date of receipt of the documents, and where documents are not submitted upon the expiry of the time limit for supplementation, the originally submitted documents shall solely be examined.

(4) The Mayor may request information from the business entity or inspect the place of business, etc. to verify the details of documents.
(5) Where the Mayor has designated eligible institutions pursuant to Article 6 (2), public announcement of the results of the selection shall be made in the Official Gazette of the Seoul Metropolitan Government (hereinafter referred as “Official Gazette”) and on the Website of the Seoul Metropolitan Government (hereinafter referred to as "Website") and the institution that has been selected may serve as a sales agency handling art works, etc. for two years from the date of the public announcement of the selection.

### Article 8 (Examination Methods for Selecting Eligible Institutions)

(1) The examination for selecting eligible institutions shall be categorized into the first examination and the second examination for which a committee for selecting eligible institutions (hereinafter referred to as “committee”) shall be formed, as provided in the following subparagraphs:
1. The first examination: Business entities deemed to satisfy the requirements under each subparagraph of Article 6 (2) shall be selected by the head of the competent division of the Seoul Metropolitan Government;
2. The second examination: The selection shall be made by the committee by assessing the expertise in sales (50%) and the capability to perform sales-related duties (50%) in consideration of auction performance records, facilities, the amount of capital, etc. from among the business entities deemed to be appropriate in the first examination.
(2) The committee shall deliberate on and determine the number of eligible institutions to be selected under paragraph (1).

### Article 9 (Composition and Meetings of Committee)

(1) The Mayor shall select eligible institutions by establishing the committee to ensure fairness in selecting such institutions.
(2) The committee shall consist of seven members, including one chairperson; the Director-General of Finance Bureau shall serve as the chairperson; and six members of the committee shall be selected from among the Director-level public officials of the Seoul Metropolitan Government in consideration of gender equality.
(3) The chairperson shall convene a meeting of the committee when necessary to select eligible institutions or to revoke the selection thereof, and a majority of the members of the committee including the chairperson shall constitute a quorum.
(4) The committee shall select eligible institutions in accordance with the score attained by such institutions, and the number of eligible institutions to be selected shall be deliberated and determined by a concurring vote of a majority of the members present.
(5) The meetings of the committee shall not be disclosed to the public: Provided, That the foregoing may not apply where deemed necessary by the chairperson.

### Article 10 (Revocation of Selection of Eligible Institutions)

(1) The Mayor may revoke the selection of an eligible institution, where such institution falls under any of the following subparagraphs:
1. Where it is deemed impracticable for such institution to conduct duties as an institution specialized in sale due to dishonor, bankruptcy, suspension or closure of business, etc.;
2. Where it is deemed impracticable for such institution to conduct duties as an institution specialized in sale due to changes in facilities, capital, etc. from the time of the selection;
3. Where it becomes subject to public criticism due to default, a violation of the Punishment of Tax Offenses Act, a violation of the Framework Act on Local Taxes or any local tax-related Act under Article 2 (1) 4 of the same Act, a grave violation of law, etc.
(2) The revocation of selection of any eligible institution shall be deliberated and determined by the committee, and such decision shall require the concurring vote of a majority of the members present at the relevant meeting.
(3) Where the Mayor revokes the selection of any eligible institution pursuant to paragraph (1), such revocation shall be publicly announced in the Official Gazette and on the Website.

### Article 11 (Appraisal and Assessment by Institutions Specialized in Sale)

Where necessary to determine the estimated price for sale, an institution specialized in sale may request an appraiser under Article 76 (1) of the Decree to conduct an appraisal and may refer to the appraised value.

### Article 12 (Demand for Revocation of Request for Agency Service by Institutions Specialized in Sale)

(1) An institution specialized in sale may request the Mayor to revoke the request for agency service for sale in any of the following cases:
1. Where an art work, etc. requested for sale has not been sold upon the performance of at least three auctions;
2. Where the sale is not made even after one year passes from the date of receiving the request for agency service for sale.
(2) The Mayor upon receiving a request under paragraph (1) shall comply with such request, unless there is a compelling reason not to do so.

### Article 13 (Delivery of Property Sold)

(1) Any property in the custody of the Mayor or an institution specialized in sale shall be delivered to the buyer when the buyer provides payment of such property (including fees, etc.).

(2) When delivering an art work, etc. to the buyer, a written confirmation of acquisition, etc. shall be received from such buyer. In such cases, in lieu of a written confirmation of acquisition, such buyer may be requested to sign or affix a seal on the notice of the relevant sales decision where the fact of acquisition by such buyer shall be additionally stated.
(3) When an institution specialized in sale delivers an art work, etc. to the buyer under paragraph (2), such fact shall be notified to the Mayor.
(4) The ownership of the sold property shall be deemed transferred when the buyer has provided full payment of the purchase price to the institution specialized in sale.

### Article 14 (Receipt of Price for Sale)

(1) Where the price for sale is determined or the agency service for sale is revoked, the Mayor shall receive the detailed statements of sales commissions, etc. and relevant evidentiary documents from the institution specialized in sale and verify the appropriateness of such documents.
(2) Where the institution specialized in sales receives the price for sale, the Mayor shall receive the profited amount by subtracting the sales commission, etc. to be paid to the institution specialized in sales from the price for sale in the account of a treasure receiving and disbursing cash other than revenues and expenditures.

### Article 15 (Distribution of Price for Sale)

(1) The Mayor shall distribute the price for sale, etc. received pursuant to Article 14 by categorizing such price as money to be distributed.
(2) With respect to distributing the price for sale, etc. under paragraph (1), Articles 97 through 103 of the Act shall apply.

### Article 16 (Request for Commissions for Sales Agency Service)

(1) An institution specialized in sales may request the payment of commission from the Mayor, where the sale of any property requested by the Mayor for the sales agency service falls under Article 52-3 of the Enforcement Rule of the Act.
(2) Where an institution specialized in sale directly receives the price for sale from a buyer, the amount received subtracted by commission, etc. of such institution may be provided to the Mayor.

### Article 17 (Matters to Be Consulted with Institutions Specialized in Sale)

(1) An institution specialized in sale may consult with the Mayor on any of the following matters not provided in statutes, regulations, or Ordinances of the Seoul Metropolitan Government regarding the sales agency service for art works, etc.:
1. Where excessive expenses for disposition on default are expected compared to the estimated price of sale;
2. Where no actual benefit is expected from the sale of an art work, etc.;
3. Other cases deemed necessary to perform the sales agency service.
(2) Where an institution specialized in sale requests consultation under paragraph (1), the Mayor shall consult with such institution within 20 days.
(3) Where the Mayor intends to revoke any request for sales agency service on any of the grounds under the subparagraphs of paragraph (1) as the result of the consultation under paragraph (2), the Mayor shall notify such fact to the institution specialized in sale, taxpayers, and interested parties.

### Article 18 (Confidentiality)

Where an institution specialized in sale becomes aware of tax information of a taxpayer in the course of performing duties as a sales agency, such institution shall not provide or disclose such information to any other person or use such information for any purpose other than the intended purpose.

### Article 19 (Liability for Compensation)

Where an institution specialized in sale causes losses intentionally or by gross negligence in the performance of sales agency services, such institution shall compensate for the losses.

### Article 20 (Honest Taxpayers Eligible to Deferment of Collecting Delinquent Taxes)

"Honest taxpayers under the standards prescribed by municipal ordinance" in Article 105 (1) 1 of the Act means persons who paid local taxes (limited to acquisition tax, local income tax excluding extraordinary collection portion, property tax, motor vehicle tax on motor vehicle ownership, and resident tax on property) in full by the relevant payment deadlines at least three times a year for the immediately preceding three years from the year when the delinquent tax arose without any record of delinquent payments of local taxes during the aforementioned period.

### Article 21 (Enforcement Rules)

Matters necessary for enforcing this Ordinance shall be prescribed by rule of the Seoul Metropolitan Government.

## ADDENDA

Article 1 (Enforcement Date)

This Ordinance shall enter into force on the date of its promulgation.

Article 2 (General Transitional Measures)

(1) The previous Seoul Metropolitan Government Framework Ordinance on Municipal Taxes shall apply to the collection of municipal taxes imposed or to be imposed under the previous Seoul Metropolitan Government Framework Ordinance on Municipal Taxes (referring to the Seoul Metropolitan Government Framework Ordinance on Municipal Taxes before being amended by Ordinance No. 6466; hereinafter the same shall apply).

(2) Any conduct toward or by the Mayor of the Seoul Metropolitan Government under the previous Seoul Metropolitan Government Framework Ordinance on Municipal Taxes as at the time this Ordinance enters into force shall be deemed any conduct toward or by the Mayor of the Seoul Metropolitan Government under this Ordinance with respect to the collection of municipal taxes.

Article 3 (Relationship to Other Ordinances of the Seoul Metropolitan Government)

Where the previous Seoul Metropolitan Government Framework Ordinance on Municipal Taxes or any provision thereof is cited by any other Ordinance of the Seoul Metropolitan Government as at the time this Ordinance enters into force, this Ordinance or the relevant provisions thereof shall be deemed cited respectively, if any provision corresponding thereto exists in this Ordinance.