[UK]

- 영국 경제상황과 한국 기업 활동 Overview
- 영국 투자진출 시 세제 혜택

14:30 ~ 15:30 (60분)

문종우 Senior Manager, KPMG UK





Invest in UK

2023 해외투자 진출 세미나

2023 November





Presented by



James Moon Head of Korea Desk

KPMG LLP 15 Canada Square London E14 5GL

E: jongwoo.moon@kpmg.co.uk



Tony ClemsonCountry Director for the
Department for Business and
Trade

Based in the British Embassy

Contents

- 1. KPMG UK
- 2. Why UK?
- 3. 영국 내 한국 비지니스
- 4. UK Incentives





1. KPMGUK

KPMG UK – Overview

Who we are

In the UK we have 571 partners and 15,310 outstanding professionals working together to deliver value to our clients across our 21 offices. Our vision is to be the clear choice in professional services in the UK.

In the year 2020 we marked **150 years of KPMG in the UK**. That's 150 years of our firm supporting businesses to grow, supporting our people to achieve and supporting our communities to thrive.

KPMG's core business is to help your organisation work smarter, evaluate risks and regulation and find efficiencies. We do this by providing deep insight into market issues, transparency in everything we do, and using innovative technology to tackle complex problems. We are focused on the issues that keep our clients awake at night and responding to them as One Firm. To do that, we strive to create a high performance culture, guided by our values, where our diverse talent feels included and excels.

15,310 571 Partners

21 Locations in the UK London - Canada Square Aberdeen Birmingham London - Grosvenor Street Bristol Manchester Cambridge Milton Keynes Cardiff Newcastle upon Tyne Gatwick Norwich Edinburgh **Nottingham** Glasgow **Plymouth** Leeds Reading Liverpool Sheffield Watford

Our Services

Audit

Obtain deeper audit insight, increase transparency and harness innovative technology.

Tax & Legal

Stay competitive and compliant with tax and legal advice for both corporate & individuals.

Consulting

Working together to help you address the challenges of a volatile environment.

Deal

Helping clients stay on top of the issues when you buy, sell, partner, fund or fix a business.

Our Values

Our Values represent what we believe in and what is important to us. They guide our behaviors day-to-day, inform how we act and shape the decisions we make.

- Integrity: We do what is right
- Excellence: We never stop learning and improving
- Courage: We think and act boldly
- Together: We respect each other and draw strength from our differences
- For Better: We do what matters

Total Revenue

£2.43 billion

Community support

903

organisations supported





2. Why UK



the UK is your ultimate

business destination.





"The UK has an exciting package of investment opportunities, to harness our innovation, achieve our net zero goals and future-proof our economy as a science super-power. We'd welcome you to be a partner and to share in our ambitions and success. My team and I, look forward to talking to you."

Lord Dominic Johnson of Lainston Minister for Investment

5 reasons to choose the UK

No.1

Most attractive location in Europe as ranked by CEOs¹

1st

For number of unicorns in Europe and 3rd globally²

1st

In Europe and 8th globally for qualified workforce³

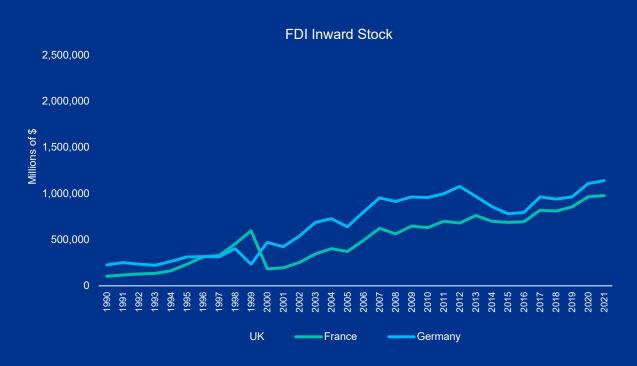
4th

For strength of innovation and consistently in top five countries globally⁴

70+

Trade agreements signed with countries and blocs outside EU⁵

The UK has attracted more new investment since 1997 than any other European nation



1000+ new international businesses set-up in the UK each year.6

We are committed to building on this success.

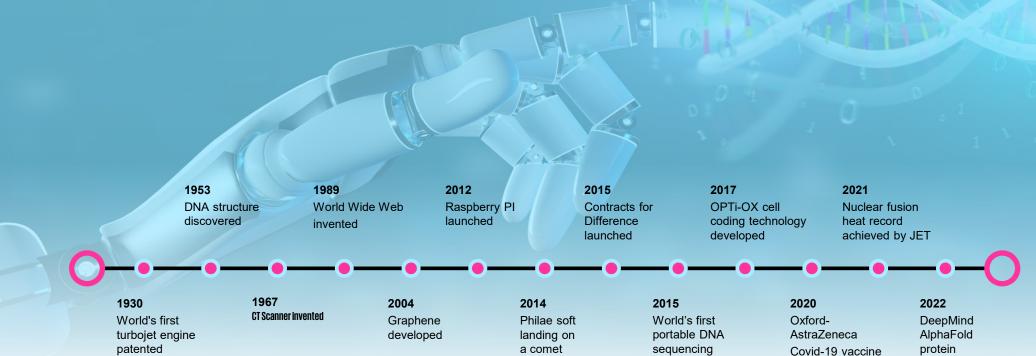




The UK has long been at the forefront of global exploration, invention and innovation

Challenges to success are greater than ever but the UK's capacity and drive to innovate is well recognised.

Creative excellence, world-class innovation and leadership in pivotal technologies enable us to remain renowned as a leading trading nation.



device developed

developed

breakthrough

Every day, world-leading companies come to the UK as a place to invest, research, manufacture and grow

1st in Europe for new investment projects and FDI value by total jobs¹⁰

1st in Europe for value of start-up and scale-up ecosystem¹¹

1st for green finance products and services in world's financial centres¹²

1st in G20 as a globally connected economy¹³

New technology. New IP. New people. Pushing progress faster.

1 st

EY's global Attractiveness Survey 2023⁷ No. 1

Place to live – London⁸

Most important

Growth market ranked by US CEOs⁹

Continued confidence

Despite recent global turbulence

£2.5bn

Bentley Motors
Automotive

£2.5bn Marubeni Renewable Energy





Start, finance and expand in Europe's most active funding market with a competitive, transparent and fair tax system

British Business Bank debt, equity investment and financial guarantees²⁰

£12.2bn+ £7.9bn

UK Research & Innovation funding and support²¹

Competitive research and innovation based incentives

- R&D Tax Credits
- Innovate UK business-led innovation funding & incentives
- Up to 10 % Patent Box corporation tax reduction
- UK government backed venture capital financing

UK Export Finance (UKEF)

Competitive and flexible finance and insurance



World leading talent and skills, and an education system that moves with the dynamic changing needs of global employers

- Strong and diverse workforce, more qualified than any major economy in Europe, ranked top 10 globally¹⁴
- Flexible and liberal labour laws
- Government backed training and employment schemes
- Immigration system for the brightest and best talent



The UK's thriving ecosystem can turn your ideas into commercial success

1 st

Leading European country for best intellectual property environment²²

In G7 for international research collaboration and impact²³

1 st

In global top ten universities²⁴

89

World-class universities, more than Germany and France combined²⁵

Academic powerhouse

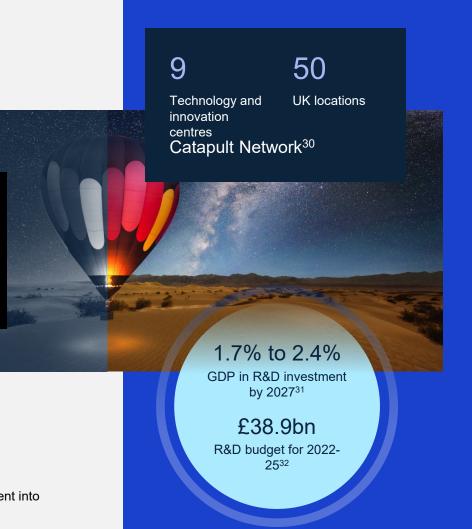
84% of UK university research is 'world leading' or 'internationally excellent'26

Collaboration abundance

100+ science parks^{27,}750 start-up accelerators and incubators²⁸

Industryacademia excellence

£2.54 billion investment into spinouts in 2021²⁹





Growth of unicorns is testament to the UK's vibrant tech ecosystem

Innovation ecosystems depend on research institutions, accelerators, talent, finance and access to companies and their decision makers. The UK is rich in all of these.

1st

In Europe for tech sector value (\$1tn)³³

1 st in Europe and

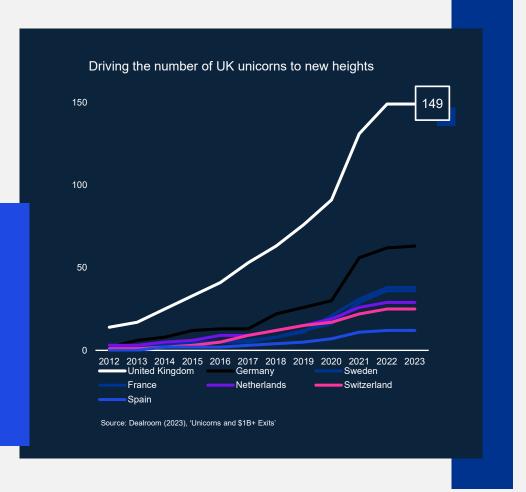
3rd globally for number of unicorns (149) behind only USA and China³⁴

2nd

Most active and capital-intensive VC market in the world – £22bn deployed in 2022 35

3.7 times

Return on investment generated in last decade by UK scaleups³⁶



A world leader in the industries of the future



CleanTech

Attracting almost one-fifth of Europe's cleantech investment, we are driving a green revolution³⁷

Creative Industries

A global driving force for innovation with 14% of service exports⁴⁰ and ranked 2nd globally for soft power⁴¹

Financial Services

At the cutting edge of fintech innovation with London as 2nd most active city worldwide³⁸

DeepTech

£10 billion cyber security market – most concentrated and accessible in Europe⁴²

Life Sciences

3rd globally for number of inward investment projects in 2021³⁹

Advanced Manufacturing

4th largest manufacturing nation in Europe⁴³ with £183 billion industry⁴⁴



Our renewables are innovating for your tomorrow

1st

Major economy to embrace legal obligation to net zero emissions by 205045

2nd

In Europe and

4th

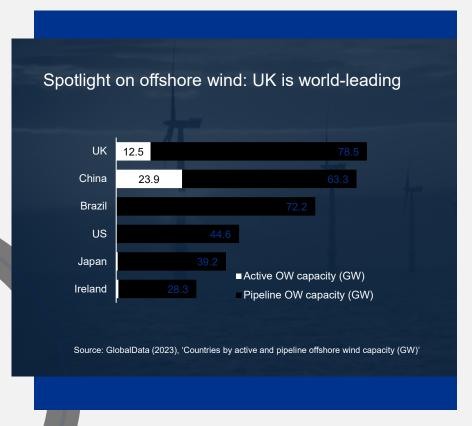
Globally for renewables energy attractiveness⁴⁶

UK Infrastructure Bank funding⁴⁷

£12bnEquity and debt capital

£10bn Guarantees UK Ten Point Plan for a green industrial revolution: **£42bn**

Government backed investment opportunities across all sectors⁴⁸



Why invest in UK offshore wind?

A sector with ambitious targets and major opportunities for growth

Up to **50GW**UK deployment by 2030

Up to
5GW

of new floating wind projects by 2030

Climate
Change Committee
estimates^[1] up to

125GW
could be needed by
2050

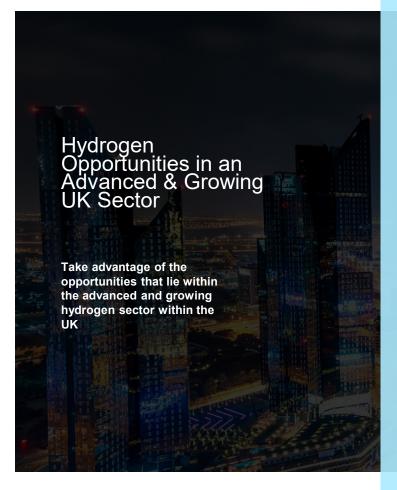
Up to
£160mn

Floating Offshore
Wind Manufacturing
Investment
Scheme

[1] Climate Change Committee (2020), The Sixth Carbon Budget: The UK's path to Net Zero

- **Long term vision** with an ambition of up to 50GW offshore wind capacity by 2030, including up to 5GW of floating offshore wind, and a commitment to shorten development timescales for future projects.
- **UK** geography well suited to offshore wind deployment.
- Successful track record of Government and industry working in partnership to build the sector through the Offshore Wind Industry Council, a joint government-industry forum.
- Established and experienced regulatory regime covering the whole offshore wind project life cycle, from leasing, to consenting, to operation and decommissioning with actions underway to accelerate the pipeline and meet our ambitions.
- Clear, bankable support regime offering reliable and legally secure income for new developments through 15-year Contracts for Difference with a government-owned counterparty awarded through competitive annual auctions.
- **Commercial PPAs:** offshore wind projects are beginning to proceed on the merchant market.
- **Stable, regulated returns** for investments in offshore transmission.
- **Enabling infrastructure** such as grid, supply chain and ports investment, with supportive government schemes.
- Leading UK-based companies, including two of the world's leading turbine original equipment manufacturers, plus hundreds of other companies, to anchor a growing supply chain.



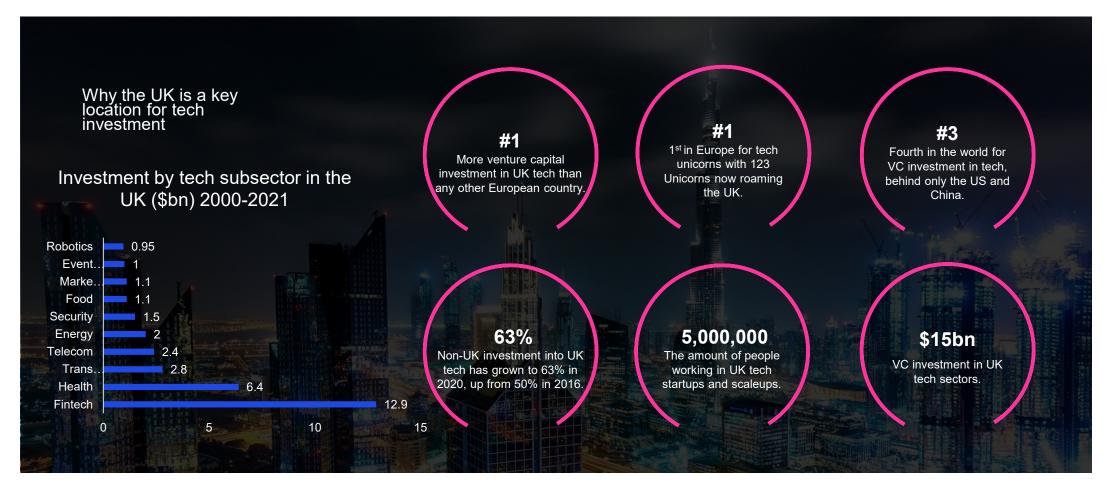


- The **UK** is #1 in Europe for most attractive renewable energy investment and deployment opportunities and 5th globally.
- UK hydrogen demand is expected to increase from 46TWh in 2030 to almost 700TWh by 2050
- More than a dozen large-scale hydrogen projects are either ongoing or set to start in the coming years, including Acorn, Gigastack, H21 and Hy4Heat
- 196 companies in the UK work on hydrogen fuel cell technologies, ranging from micro spin-offs to multinational companies with H2FC divisions

- Although the USA and Japan lead, the UK has been consistently within the top ten countries globally for hydrogen technology patent rates Accessible supply chain
- The Net Zero Hydrogen Fund offers £240m to support both blue and green hydrogen production
- 66% of UK hydrogen companies surveyed already export goods and services to the growing hydrogen market
- The UK aims to produce **5GW low** carbon hydrogen by 2030

Sources: H2FC SUPERGEN, 'Opportunities For Hydrogen And Fuel Cell Technologies To Contribute To Clean Growth In The UK,' May 2020; UK Gov, 'Ten Point Plan,' Nov 2020; EY, 'Renewable Energy Country Attractiveness Index (RECAI),' Nov 2020; Climate Change Committee, 'Hydrogen in a Low-Carbon Economy,' 2018.





Source: Tech Nation Report (2021) The Future UK Tech Built, Tech Nation Report (2022) A Decade of UK Tech



The UK is an <u>Artificial Intelligence Superpower</u> with particular strengths in research, investment and innovation





Source: Innovate Finance, '2019 FinTech Investment Landscape,' 2019; DIT, 'UK FinTech: State of the Nation,' 2019; City of London, 'Powering the FinTech revolution,' 2020; Tech Nation, 'UK Tech For a Changing World,' 2020; EY, 'How FinTechs are moving mountains and moving mainstream,' July 2020; Information Age, 'London now global fintech hub as UK investment soars — Robert Walters,' May 2020.



Reasons to invest in the UK space industry

The UK has a dynamic, flexible and open space sector that is underpinned by a supportive regulatory environment

A national structure for growth

- Designed to unlock growth in the space sector
- UK space sector is a vital part of our economy, worth over £16.5 billion per year
- 46,000+ people employed across the UK
- Clear single voice of UK space ambitions through the Department for Business, Energy, and Industrial Strategy

Rich heritage and still growing

- UK was the 3rd satellite operating nation in space
- 5.1% of global space economy in 2018/19
- Growth rate of space manufacturing was 1% in 2019/20
- Since 2012, the population of space organisations has grown on average nearly 21% per annum, with 1,293 organisations recorded in the latest reporting period

Accessing global markets

- UK companies are global leaders in the small satellites market
- Dedicated export support with DIT offices in almost every country of the world
- UK space industry is a £5 billion+ export market

Growing commercial opportunities

- The space industry contributed £6.9 billion of direct gross value added (GVA) (0.31% of UK GDP), and £15.8 billion total GVA across the supply chain
- World's first venture capital fund dedicated to space related companies
- First European country with a planned mainland commercial launch service
- Space-related organisations produced £16.5 billion in income in 2019/20

Supporting ideas and innovation

- 145 unique investors invested nearly £6 billion in 38 companies across 90 investment deals
- An estimated £836 million was spent on space related R&D (equivalent to 5% of total industry income) in 2019/20.
- The UK space investments trended upward: from 2 in 2012 to 18 in 2021, and the population of investors went from 1 in 2012 to 51 in 2021

Attracting global players









A leading trading nation



Classification: official

The UK's commitment to support global investment is unparalleled

Our team of investment professionals are here to support you on your investment journey in all parts of the UK.

Contact us →
DIT.Seoul@fcdo.gov.uk

Market Insight

We know the landscape

Finding Partners

We are well connected

Financial Viability

Help you find cofinancing Advocacy

We take your issues on as ours

Aftercare

Continue to support your portfolio

great.gov.uk

Office for Investment

Support to major investments with concierge style service, including accompanied visits and bespoke identification of site options.

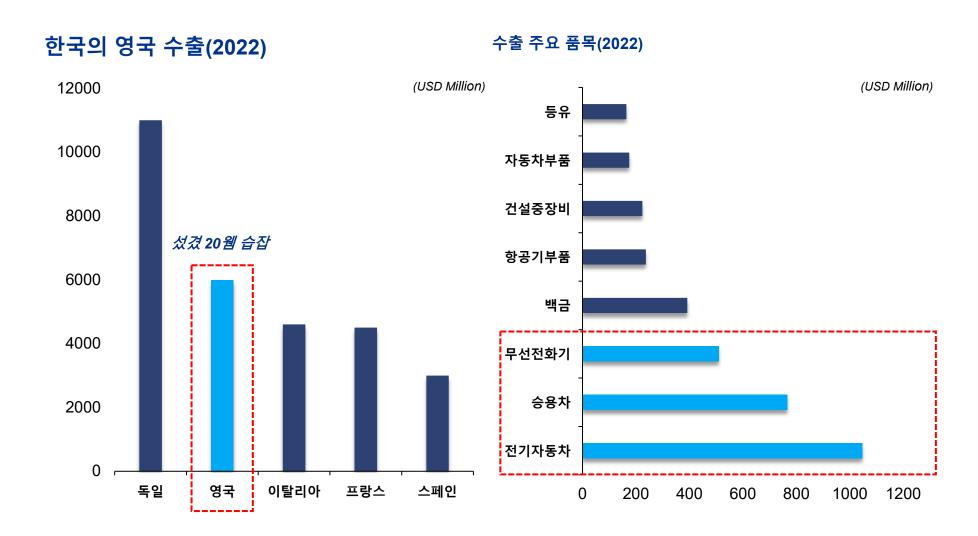






3. 영국 내 한국 비지니스

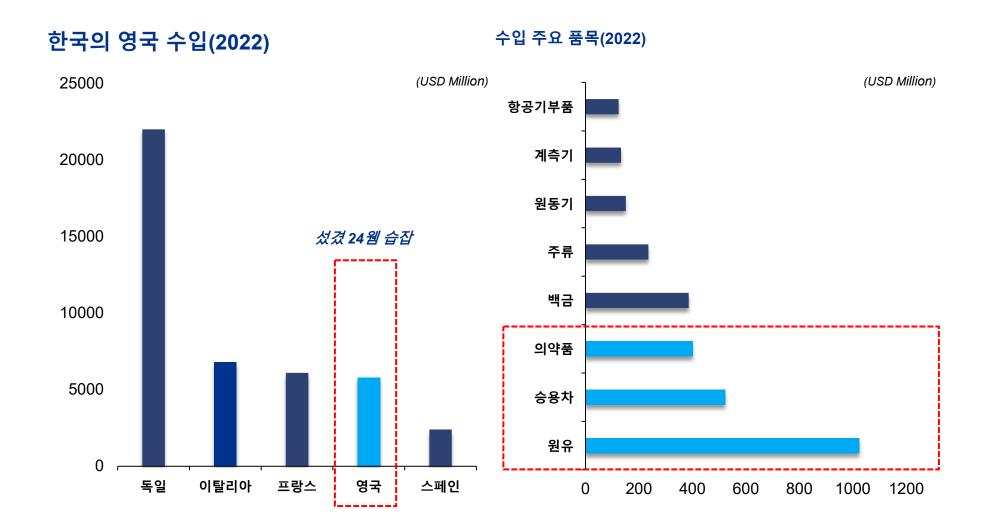
Export from Korea to Major European Countries





29

Import from Major European Countries to Korea

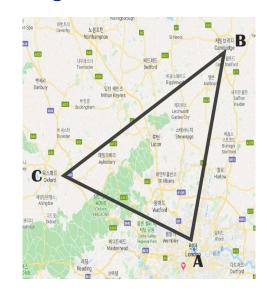




London, a business-friendly and open city

9국內약 100 q개기업활동 중

Golden Triangle의 연구개발 역량 활용 Open Innovation(부광, 광동, 중외 등)



A. London (954만 인구)

- Institute for Cancer Research
- Institute of Neurology
- Nat. Institute for Medical Research

B. Cambridge (14.5만 인구)

- Laboratory of Molecular Biology
- European Bioinformatics Institute

C. Oxford (16.25만 인구)

- Welcome Centre for Human Genetics
- Rutherford Appleton Laboratory

세계 금융의 중심지 런던 최근 진출 사례 및 기회



Korea-UKFTA



한-영 FTA는 한-EU FTA에서의 특혜무역혜택을 양국간 유지하기 위한 것으로 안정적인 비즈니스 환경 유지에 우선순위 부여

대부분 한-EU FTA와 동일한 수준으로 반영



중단없는 FTA 활용을 위해 한-영 FTA 인증수출자 지정 특례 운영

한-EU FTA 인증수출자는 한-영 FTA 인증수출자 추가 신청서 제출



4. UK Incentives

We are implementing our ten point plan

The Ten Point Plan lays the foundations for a UK green industrial revolution, continues our significant commitment to cutting green house gases and our legal commitment to be net zero by 2050.



- 1. Advancing Offshore Wind
- 2. Driving the Growth of Low Carbon Hydrogen
- 3. Delivering New and Advanced Nuclear Power
- 4. Accelerating the Shift to Zero Emission Vehicles
 - End sales of petrol and diesel engine vehicles in 2030, all vehicles must have significant zero emissions capability (incl. plug in and full hybrid) and be fully zero emission by 2035.
 - Release of £500m for the Automotive Transformation Fund, to build a world competitive EV supply chain.
 - Release of £1.3Bn to accelerate the roll out of EV charging infrastructure
- 5. Green Public Transport, Cycling and Walking
- 6. Jet Zero and Green Ships
- 7. Greener Buildings
- 8. Investing in Carbon Capture, Usage and Storage
- 9. Protecting Our Natural Environment
- 10. Green Finance and Innovation

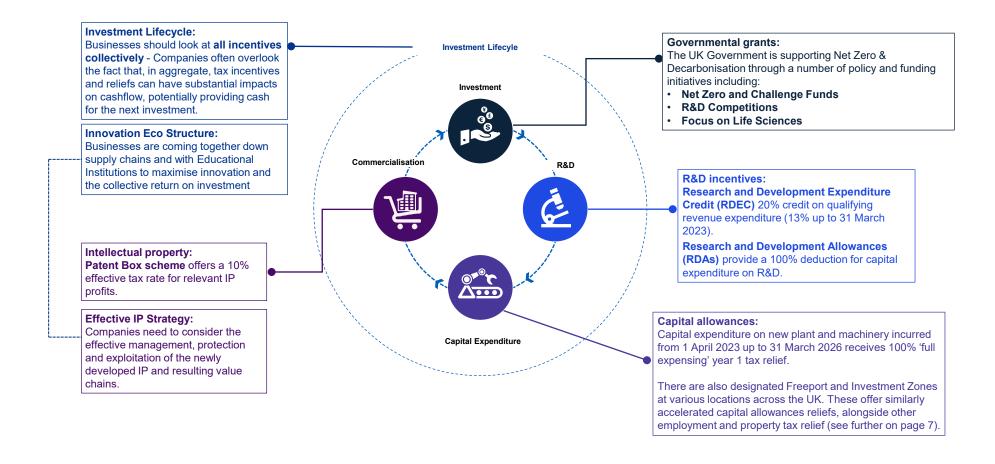
Published in 2020 – this remains the UK Government 'Green Industrial Revolution' priorities



Supporting Innovation investment decision making



Maximising your return on investment through grants and tax incentives





UK R&D incentives

R&D incentives claims ("R&D claims") are designed to attract and encourage **investment in R&D** in the UK.

R&D Expenditure Credit of 20% (13% prior to 1 April 2023) of the qualifying R&D revenue expenditure. The benefit is the equivalent of £15 for every £100 (£10.53 prior to April 2020).

Research & Development Allowances of 100% are available on capital expenditure.

Deadline for submitting an R&D claim is two years from the end of the relevant accounting period.

What projects can qualify?

- Phase IV clinical activities, for example investigation of new patient populations or drug regimens.
- Development of autonomous diagnostic devices and integrated IT and biological solutions for enhanced diagnosis, disease targeting and product delivery.
- Development of new process platforms and methods.
- Identification and development of new chemical entities (NCE), preclinical research and development.
- Providing enhanced IT workflows and business processing capabilities, developing risk management systems, data analytics, customer management systems and data warehouse solutions.

Seeking to achieve an Advance in Science or Technology

An advance in the overall knowledge or capability in a field of science or technology

- A new or appreciably improved process, material, device, product or service.
- Extend overall knowledge or capability.

Through the resolution of Scientific or Technological Uncertainty

"...knowledge of whether something is scientifically possible or technologically feasible, or how to achieve it in practice, is not readily available or deducible by a competent professional..."

"Turning something...scientifically feasible, into a cost effective, reliable and reproducible..."



UK Patent Box

Qualifying patents – either owned or held by exclusive licence.



Development — company or another group company is undertaking qualifying development.



Active
ownership applies to groups
only.



Qualifying for Patent Box – qualifying profits will be taxable at 10%



Qualifying patents

Qualifying patents include; UK, EPO or patents granted by certain other EU Member States.

- Patents can be owned by the claimant company or through an exclusive licence to the rights from a third party or another group company.
- Patents must be **granted** to claim, although you can then look back and bring in profits from pending period so long as you were elected into the regime for those periods.

Development

■ Either the company or another worldwide group company must have played a significant role in creating or developing the patented innovation or the product which incorporates it

Active ownership

If the company is a member of a group and doesn't meet the development condition itself, it must perform a 'significant' amount of management activity (e.g. planning how to develop or exploit IP; or incorporating IP into products

Tax reliefs available on capital expenditure

The table below summarises the main tax reliefs received for capital investment in the UK.

Basic rates of relief	Plant or Machinery Allowances (PMA)	18% or 6% writing down allowance	 18% relief for production plant with UEL < 25 years and elements of office / factory construction costs. 6% relief available on specific background plant and machinery (electrics, lighting, water services, etc.) and any production plant with UEL >25 years.
	Structures & Buildings Allowances (SBA)	3% annual straight line deduction	- Available on the cost to construct commercial buildings and structures, including offices, factories and wider site infrastructure (roads, parking, etc.)
Accelerated reliefs	Full expensing	Accelerated 100% or 50% year 1 relief	 100% tax relief for investments in plant or machinery (including intangible computer software) incurred between 1 April 2023 and 31 March 2026. 50% tax relief for investments in background plant or machinery (electrics, lighting and water services to buildings) and any equipment with UEL >25 years
	Research & Development Allowances (RDA)	100% year 1 relief	 Accelerated 100% relief available for all capital expenditure on R&D, including buildings or equipment used for R&D (such as product development areas and testing equipment).
Regional incentives	Freeports	Enhanced reliefs across capital investment and operational taxes for businesses	 Freeports are secure zones based around regional sea, air and rail ports to stimulate economic activity. 8 sites have been created in England; East Midlands Airport, Felixstowe & Harwich, Humber, Liverpool City Region, Plymouth and South Devon, Solent, Teesside and Thames. Equivalent zones planned for Scotland and Wales Freeports have designated tax zones providing a range of incentives including: Streamlined planning and exemption from Stamp Duty on the site purchase Enhanced rates of capital allowances (100% PMA and 10% SBA) Exemption from Business Rates tax on new property Zero rate for employers National Insurance Contribution for new jobs
	Investment Zones		 The Government has announced plans to create Investment Zones across the UK to accelerate existing developments (commercial and residential) and stimulate further investment in designated areas. The planned Investment Zones are located in the East Midlands, Greater Manchester, Liverpool City Region, the North East, South Yorkshire, Tees Valley, West Midlands, West Yorkshire and Glasgow & North East of Scotland. Potential incentives under consideration for Investment Zones include: Faster consent to grant planning permission Time-limited tax incentives for businesses, broadly similar to those announced for freeports Support and prioritised funding access for infrastructure investment relating to housing and wider regeneration, to enable skilled workforces



Grant Incentives - UK Government's growth ambitions

Government priorities for Growth:

Priorities

- Life Sciences
- · Advanced Manufacturing
- Green Industries
- Digital Technology
- · Creative Industries
- R&D Growth Ambition

Grant Incentive Priorities

Ageing society

- Medicines manufacturing
- Data early diagnosis and precision medicine
- Healthy ageing
- Accelerating detection of disease

Al and Data Economy

- Audience of the future
- Next generation services
- Commercialising Quantum technology
- Digital security by design

Future of mobility

- Faraday battery challenge
- Self driving vehicles
- National satellite test facility
- Robotics for a safer world
- Future flight
- Driving electric revolution

Clean growth

- Prospering from energy revolution
- Transforming construction
- Transforming food production
- Manufacturing made smarter
- Smart
 sustainable
 plastic packaging
- Industrial decarbonisation
- Transforming foundation industries
- Low cost nuclear



Location Analysis and Incentives

Our Services and Support

- Independent, impartial and co-ordinated support to clients
- Our team consists of specialists in the field of location analysis and incentives
- We work with clients to understand and prioritise the assessment of incentive opportunities, bringing together industry insights, interacting with national, regional and local agencies and providing incentive expertise.

Location Strategy



Objectives

Define project objectives, location criteria and geographic scope of project.

Outcome

Short list of viable regions and communities for further analysis.

Location Analysis & Site Selection



Objectives

Conduct thorough analysis and on-site visits to determine finalist locations and sites.

Outcome

Identify and rank developable sites for further analysis.

Incentives & Grants Support



Objectives

Identify, negotiate and access public funding incentives (including tax support).

Outcome

Substantial bottom-line savings and compliance support.





The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2023 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Document Classification: KPMG Confidential