

# Recruitment of Non-Korean Startups for 2022 Inbound Incubation Program for Tech-based Startups

The Ministry of SMEs and Startups of the Republic of Korea hereby recruits promising non-Korean startups who wish to enter and scale-up in the domestic (namely, Korean) market to participate in “2022 Inbound Incubation Program for Tech-based Startups.”

July 5, 2022

Minister of SMEs and Startups

1

## Overview

### 1 Objective

- The program aims at progressing Korean startup ecosystem to the next level by supporting non-Korean startups with excellent technologies for their entering the Korean market, or helping non-Korean startups with Korean branch for their rapid scale-up in the local market.

### 2 Scale and Duration

- **(Eligibility)** Startups established by foreign nationals or overseas Koreans\*

\* **Startups in Korea** : startups with less than seven years of experience since the date of establishment, i.e. established no earlier than July 6, 2015.

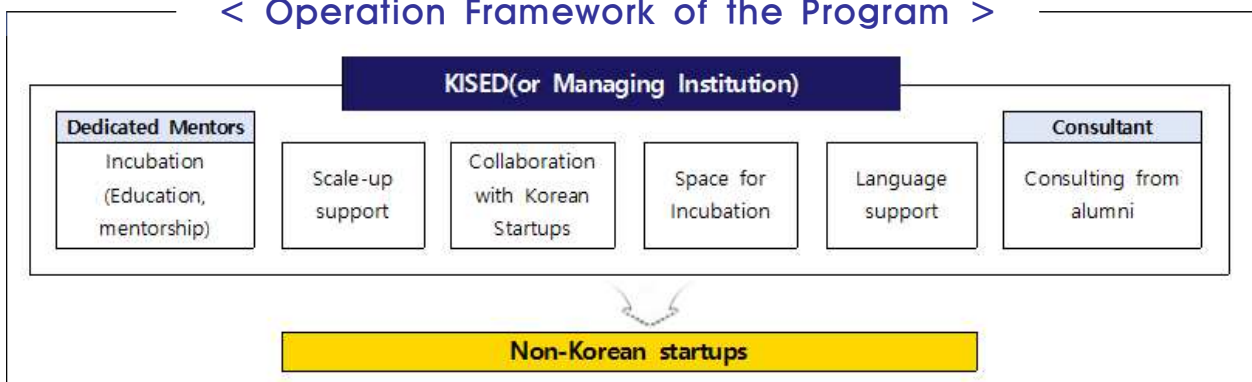
**Startups outside of Korea** : regardless of years of experience

**< Classification of Eligibility >**

Korean startups Non-Korean startups	With Business Registration	Without Business Registration	
		Max. 7 yrs. of experience	More than 7 yrs
With Business Registration	×	○	×
Without Business Registration	○	○	×

- **(Number of Startups)** Ten startups
- **(Agreement Period)** August. 2022 ~ February 28, 2023 (Planned, about seven months)
- **(Contents)** Experts provide customized incubation services to startups to support their scale-up after their entrance in the Korean market, while startups successfully settled down in Korea transfer their experience and know-hows on doing business in the local market. Participants are given support for settlement in Korea, such as collaboration opportunities with promising Korean startups and spaces for incubation.
- **(Operation Framework)** Korea Institute of Startup and Entrepreneurship Development, KISED, (or Managing Institution) provides a comprehensive support to non-Korean startups (namely, ten startups to be finally selected) for their starting-up and scale-up in Korea.

**< Operation Framework of the Program >**



## Definition

- **Responsible Institution** : KISED
- **Managing Institution** : Seokyeong University (In consortium with Actin. Inc.)
- **Non-Korean Startups** : Ten startups to be selected for the program

## 2 Eligibility and Requirements

### 1 Eligibility

- Startups established by foreign nationals or overseas Koreans\*

\* **Startups in Korea** : startups with less than seven years of experience since the date of establishment, i.e. established no earlier than July 6, 2015.

**Startups outside of Korea** : regardless of years of experience

### What is Non-Korean Startups?

- Startups established in Korea by foreign nationals or overseas Koreans, or startups established outside of Korea

#### 1) Foreign National

#### 2) Overseas Korean : Overseas Korean refers to ① Korean national residing abroad, or ② foreign nationality Korean.

① **Korean national residing abroad** : A national of the Republic of Korea who has acquired the right of permanent residence in a foreign country or is residing in a foreign country with a view to living there permanently

② **Foreign nationality Korean** : A person from among those who, having held the nationality of the Republic of Korea or as their lineal descendants, have acquired the nationality of a foreign country

#### [Note]

- ☞ Startups who have participated in 'K-Startup Grand Challenge' held by the Ministry of SMEs and Startups **are also eligible to participate in the program.**

## 2 Ineligibility

- Entities who wish to participate in the program (startups, representatives, joint representative) are not eligible for participating in the program, if they are:

- ① under regulations by financial institutions for being in default (Corporate)

< **Exceptional Cases of ① (by the final date of application and registration of the program)** >

1. Who fully repaid the one's debt, and is able to prove the repayment.
2. Who reached debt settlement arrangement in (pre-) workout program of the Credit Counselling and Recovery Service
3. Whose rehabilitation plan or repayment plan was approved by the competent court, or whose exemption is confirmed from the bankruptcy processes
4. Who received guarantee for rehabilitation support for rechallenge and rechallenging startups from Korea Credit Guarantee Fund or Korea Technology Finance Corporation, or fund for rechallenging startups from the Korea SMEs and Startups Agency and the Credit Counselling and Recovery Service.

- ② under regulations for not paying national or local taxes (Corporate)

< **Exceptional Cases of ② (by the final date of application and registration of the program)** >

1. Whose forced collection is suspended pursuant to Paragraph 1 of Article 105 of National Tax Collection Act, or whose attachment of property is deferred according to Paragraph 1 of Article 105 of Local Tax Collection Act.
2. Who repaid special debts, such as national tax and local tax, and is able to prove the repayment

- ③ doing business in the sectors stated in Article 4 (Types of Business Excluded from Scope of Business Start-up) of Enforcement Decree of the Support for Small and Medium Enterprise Establishment Act (Corporate)
- ④ banned from participating in startup programs of the Ministry of SMEs and Startups (Corporate)
- ⑤ working as CEO, dedicated/non-dedicated personnel, for the team for the program in the Managing Institution
- ⑥ participating in the evaluation committee of the Managing Institution to select startups for the program
- ⑦ in the list posted by the Ministry of Employment and Labor for delaying in paying wages.
- ⑧ notified by the Fair Trade Commission as a violator of Monopoly Regulation and Fair Trade Act (Corporate) in the recent one year

- ⑨ excluded from a subsidy program pursuant to Article 31.2(Exclusion from Implementation of Subsidy Program) of Subsidy Management Act (Corporate)
- ⑩ considered by the Minister of SMEs and Startups that there are justifiable reasons to prevent their participation in the program (Corporate)

### 3 Roles and Responsibility

- Startups who are finally selected shall comply with “Guideline on Operation of Startup Programs,” “Detailed Management Standard for Global Accelerating Programs,” and the agreement to be reached between the stakeholders, and put due efforts in successful conclusion of the said program.
  - \* Further details of the guideline and standard mentioned above to be provided individually to the finally selected startups.
- The startups shall duly implement and fulfill its program plan to successfully achieve its goals for commercialization stipulated in the plan.
- The startups shall faithfully respond to the request for submission of additional materials, inspection, and evaluation.
- The startups shall faithfully accept necessary requests, for five years from the year following the end of the agreement, for record management.
- A finally selected startup shall maintain its business for one year or more from the date of the end of the agreement, unless its representative passes away, or disaster stipulated in Paragraph 1 of Article 3 of “Framework Act on the Management of Disasters and Safety,” or force majeure, including economic slowdown and mass unemployment, occurs.

- A startup may receive penalties, such as cancellation of the agreement, if it changes its representative during the agreement period without justifiable reasons.

### 3

## Contents

### □ Contents of Support

- ① **(Scale-up Support)** Experts in the Korean market, especially in business administration, technology, and startup sector leverage their internal and external network to provide, as mentors, tailored support to each startup.
  - During the program, non-Korean startups are matched for networking to companies capable of providing consulting on legal, tax, accounting, and tech advancing issues, and establishing strategic partnerships with them.

1. Services for Successful Settlement of Non-Korean Startups after Entering the Korean Market	
<b>Mentorship on Legal Issues</b>	<ul style="list-style-type: none"> <li>▪ Mentorship on laws in Korea related to companies</li> <li>▪ Mentorship on special laws in Korea to support startups</li> <li>▪ Networking with experts, including lawyers</li> </ul>
<b>Mentorship on Accounting, Finance, and Tax Issues</b>	<ul style="list-style-type: none"> <li>▪ Mentorship on accounting and tax standards in Korea, and consulting on effective plans for management in terms of accounting and tax.</li> <li>▪ Mentorship on investment in Korea, ownership, rights of shareholders, any other issues related to financial structure</li> </ul>
2. Business and Technology Advancing	
<b>Human-Centered Innovation</b>	<ul style="list-style-type: none"> <li>▪ Mentorship on Korean market and consumer characteristics analysis</li> <li>▪ Mentorship on development of a new business model that fits into the Korean business environment</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>▪ Technology support related to development of new technologies,</li> </ul>
<b>Localization</b>	<ul style="list-style-type: none"> <li>▪ Mentorship on localization of products and services</li> <li>▪ Mentorship on development of new products to enter the whole Asian market</li> </ul>
3. Business Development (Matching)	
<b>Introduction / Liaison</b>	<ul style="list-style-type: none"> <li>▪ Support for networking with companies and related institutions for strategic partnership</li> <li>▪ Matching to professional human resources, and companies that provide quality services.</li> <li>▪ Matching to professionals for collaboration</li> </ul>

- ② **(Consulting from Startups with experience in the Korean market)**  
 Excellent entrepreneurs from non-Korean startups are designated as mentors to support the participants, with their experience of establishing startups in Korea and startup exit.
- Startups with strong establishment in the Korean market transfer their experience and know-hows on market entrance and doing business in the local market, while giving mentorship and opportunities for networking.
- ③ **(Collaboration with Korean Startups)** The participants create synergy effect in cooperation with promising Korean startups through networking. (The participants share office spaces with startups participating in the Global Startup Academy program, while having opportunities for networking with them)
- ④ **(Spaces for Incubation)** Intensive incubation leveraging Global Startup Academy, etc.

Category	Global Startup Academy (Guro G-Tower)
<b>Contents</b>	<ul style="list-style-type: none"> <li>• Non-Korean startups are able to use the space during the program period (Sept. 2022 ~ Feb. 2023)</li> <li>• Non-Korean startups are able to share the space with Korean startups in Global Startup Academy program who prepare for their global expansion, while collaborating with them.</li> </ul>
<b>Location</b>	Global Startup Academy, 10F, G-Tower, Guro-gu, Seoul
<b>Photos</b>	

- ⑤ **(Others)** Interns\* are recruited to provide language services for non-Korean startups for their business in Korea, while in-depth education on business environment in Korea, Korean society and culture being also provided.

\* Two non-Korean startups are matched to one intern, who provides a comprehensive support for communication in Korean, and understanding Korean culture.

◆ **Note** ◆

- Startups finally selected for the program shall enter Korea considering when the incubation starts. More importantly, non-Korean startups outside of Korea shall enter Korea no later than **the 1<sup>st</sup> week of September 2022**, considering the incubation period.

**4**

**Application**

**Schedule** : July 5, 2022 (Tue) ~ July 29, 2022 (Fri), 15:00 KST

**Instrument**

- Online application (Department of Global Startups, Korea Institute of Startup and Entrepreneurship Development : [inbound@kised.or.kr](mailto:inbound@kised.or.kr))

**Required Documents**

- Program plan (Korean, English) and evidential documents

\* File name : (Startup name)\_2022 Inbound Incubation Program for Tech-based Startups\_(Type of the document)

\*\* Modification, supplementation, and replacement of submitted documents are not allowed after submission.



Documents	Format (Choose a format)
① <b>(Compulsory)</b> Program plan (Korean, English)	hwp, MS word
② <b>(Compulsory)</b> Evidential documents that prove eligibility - Evidential documents of the CEO to check whether the startup is eligible to participate in the program (passport, certificate of alien registration, (For Korean national residing overseas) certificate of Korean national residing overseas, etc. - Documents that prove business registration in, or outside of, Korea. * In Korea: Certificate of Business Registration, (If applicable) Certificate of Corporate Registration * Outside of Korea: Documents that include basic information of the startup, including date of establishment, location, etc.	hwp, MS word, pdf
③ <b>(Optional)</b> Evidential documents that show achievement and progress made by the startup	pdf

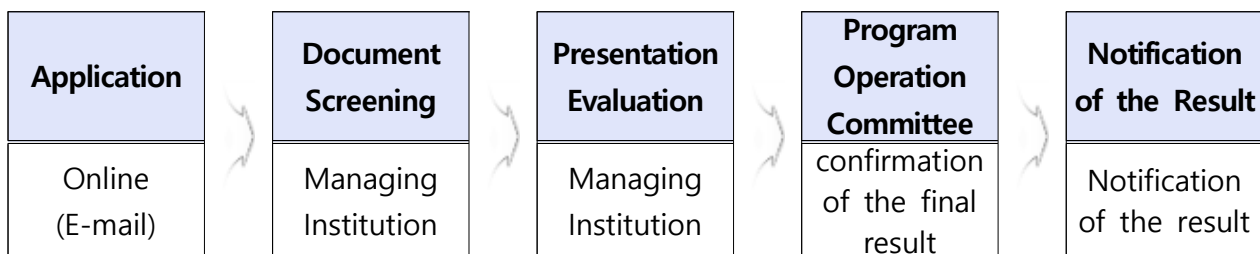
## 5

## Evaluation and Selection

### 1 Evaluation Process

- Startups applied to the program are to be selected by the following process: 'Document Screening\* → Presentation Evaluation → Program Operation Committee'

\* Document Screening includes pre-check to verify whether the startups are eligible to participate in the program.



※ The process stated above is subject to change. If the number of applicants is two times or less than the number of startups to be finally selected, the Managing Institution may skip the document screening.

## ② Instrument of Evaluation

- ① **Pre-check** : Document submission and eligibility of the applicants are verified.
  - Pass/Fail depending on whether the applicants meet the requirements stated in the recruitment notification, and have submitted all the required documents.
- ② **Document Screening** : Program plan and evidential documents are evaluated depending on the criteria (indicators).
- ③ **Presentation Evaluation** : Applicants about twice the number of startups to be finally selected, in a descending order of score of document screening, are chosen as interviewees. (20-minute presentation and 10-minute Q&A)
  - **(Schedule)** August 5 ~ August 12, 2022
    - \* Further details on the schedule and instrument of the presentation evaluation are to be notified individually to each applicant.
  - **(Language)** Presentation shall be made in Korean or in English.

## ③ Criteria for Evaluation (Draft)

- During the document screening, problem recognition, viability, scale-up strategy, and strategy for collaboration with Korean startups are main criteria for the evaluation, while excellence in technologies and potential for growth being considered additionally in the presentation evaluation.

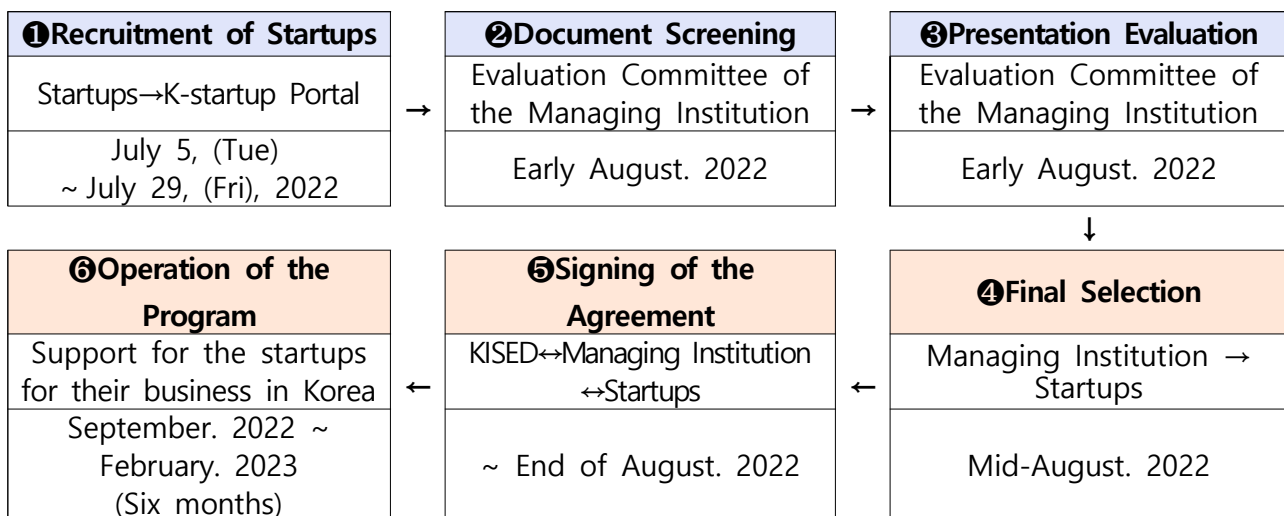
### < Criteria for Evaluation on Startups (Draft) >

Category	Detail
<b>Problem Recognition</b>	• Motivation, objectives for expanding to the Korean market
<b>Viability</b>	• Strategy for pivoting, differentiation of their items to enter the local market
<b>Scale-up Strategy</b>	• Plans for commercialization in Korea, funding, etc.
<b>collaboration with Korean startups</b>	• Plans and expected result of collaboration with Korean startups

## 4 Final Selection

- As a result of the presentation evaluation, ten applicants with highest scores are finally selected. If the Evaluation Committee regards further inspection on startups is required, final selection is made after the investigation of KISED (or Managing Institution).
- If any inappropriate contents are found in the program plan of a startup finally selected, such as exaggerated or false information, the company may be eliminated from the list, and the runner-up may be selected instead.

## 5 Program Schedule (Draft)



※ The schedule above is subject to change depending on internal and/or external situation and the number of applicants.

## 6

### Note

- Final selection of a startup may be cancelled, if the startup violates the requirements of the notification, relevant regulations, etc, or if it states false information in the program plan, illegally uses information of any other startups, or omits important information.

- Startups finally selected shall comply with Guideline on Operation of Startup Program, Detailed Management Standard for the Program, guiding materials provided by KISED and the Managing Institution. Applicants are wholly responsible for any disadvantages of not fully understanding the regulations.
- Applicants who copy or plagiarize program plans of other applicants, whether intentionally or negligently, are subject to penalties; they are not permitted to participate, for the next three years, in startup programs of the Ministry of SMEs and Startups (KISED, etc.).
  - \* If applicants who wrote and submitted same program plans upon agreement between them are finally selected, all of them are considered to have copied the program plans of other startups, and are subject to penalties, such as banned from participation in future programs for the next three years.
- Application shall be made by the representative of the applying startup. If the person who actually applied to the program is different from the person stated as the representative of the startup in its program plan, the applicant may be eliminated, or their final selection may be cancelled even after the agreement is reached.
  - \* The person who applies to the program through email (inbound@kised.or.kr), the representative of the startup, and the person stated as the representative of the startup on the program plan and evidential documents shall be the same.
- If a startup has joint representatives or independent representatives, all of them shall be eligible for the participation.
  - \* If any representative is found to be not eligible for the program after the review to be carried out upon the final selection, the startups may be subject to disadvantages including elimination from the participation.

\*\* If a representative of joint or independent representatives reaches an agreement on the program, other representatives who are not signatories of the agreement may also not be able to apply for startup programs operated by the Ministry of SMEs and Startups.

○ Complete and submit the program plan in HWP or MS Word format.

\* If the program plan of a startup is not confirmable due to being uploaded in a PDF format, or in an encrypted HWP or MS Word format, the startup may be eliminated from evaluation process.

◆ **According to relevant laws and regulations, startups applying for startup programs shall note the following contents.**

- ① If the program plan of a startup is completed and submitted by a third party, the applicant (startup and its representative), the third party (writer), and any other related people may be punished for **fraud or business obstruction, etc.**
- ② Pursuant to Article 32. of Guideline on Government Subsidies, and Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits, **applicants may be accused** if they are considered to have intentionally or falsely claimed public funds

7

## Contact

### □ Contact

- Inquires on Application·Registration System (K-Startup) : +82-1357
- K-Startup Online Consulting (Quick Menu - Consulting)
- Inquires on the program
  - Seokyeong University (Managing Institution) : +82-2-940-2902, [minthraw@skuniv.ac.kr](mailto:minthraw@skuniv.ac.kr)
  - Program Manager of the Department of Global Startups, KISED : [inbound@kised.or.kr](mailto:inbound@kised.or.kr)