Notification of the Ministry of SMEs and Startups No. 2024 - 272

Recruitment of Non-Korean (Pre-) Startups for 2024 K-Startup Grand Challenge

K-Startup Grand Challenge, KSCC, is a global startup program aiming at supporting prominent non-Korean startups for their exploration of opportunities and settlement in the Korean market. the Ministry of SMEs and Startups, MSS, hereby announces the recruitment of (pre-) startups to take part in the program.

April 25, 2024

Minister of the Ministry of SMEs and Startups

1 　Overview

☐ **Objective** : This program is to provide support to promising non-Korean startups for their incorporation and settling down in the Korean market.

☐ **Contents** : Accelerating, participation subsidies, prize money, office space, infrastructure, support for startup visa acquisition, human resources for non-Korean startups, incorporation in Korea, etc.

☐ **Target** : Non-Korean (pre-) startups established by foreign nationals with seven years or less of experience (ten years or less of experience if the applicant is a New Industry Business Startup, [Ref. 2])

☐ **Scale**: Around 40 startups

　　* Selection scale subject to change based on policy decisions.

☐ **Duration**: September 2024 ~ April 2025

Category	(Phase-1) Accelerating Program	(Phase-2) Follow-up Accelerating Program
Duration	September ~ December 2024 (3.5 mths) ▶	January ~ April 2025 (3 mths)
Target	40 Startups	Top 20 startups selected during the Demo Day event

2   Eligibility and Exclusion Criteria

☐ Eligibility

○ **Non-Korean** tech- and/or service-based **(pre-) startups operated by representatives with foreign nationalities*** who wish to settle down in the Korean market

  * Pre-startups or startups with seven years or less of experience (A startup **with ten years or less of experience** is also eligible according to Article 25 of "Support for Small and Medium Enterprise Establishment Act," if it is a **new industry business startup** publicly notified by the Minister of SMEs and Startups)

  ** Startups established no earlier than 25.4,2017—in case a startup is a new industry business startup, no earlier than 25.4.2014—are eligible for the application.

☐ Exclusion Criteria

○ Startups are unable to apply if they fall into any of the following:

① Startups (or individuals) of types stated in Article 4 (Types of Business Excluded from Scope of Business Startup) of Enforcement Decree of the Support for Small and Medium Enterprise Establishment Support Act. [Ref. 3])

② Startups (or participants) who took part in this same program between 2016 and 2023 ※ Including those who gave up, or whose participation in the program was suspended, in the middle.

③ Startups (or individuals) subject to sanctions, such as restrictions on participation in startup programs of the Ministry of SMEs and Startups.

④ Those who participate as evaluators in the Evaluation Committee which is to select startups in this program.

⑤ Those who are unable to enter Korea due to personal circumstances, visa issuance issues, etc.

⑥ Startups (or individuals) confirmed by the Minister of SMEs and Startups to have reasons for restricting participation in this program.

| 3 | Contents of Support |

☐ Settlement Support

○ **Help desk** : Administrative support shall be provided for the incorporation, visa acquisition, stay, living convenience, etc.

> ‣ **(Visa Acquisition)** Global Startup Immigration Center will provide proactive support for visa issuance: D-10-2 and D-8-4.　　* With recommendation letter from the Ministry of SMEs and Startups, participants will be exempt from the score schemes for visa acquisition.
> ‣ **(Bank Account)** Participants will be given support for opening individual and corporate bank account for the program.
> ‣ **(Consulting·Seminar)** Startups will be offered education and 1:1 consulting from the experts on incorporation, tax, accounting, patent, labor affairs, etc.
> ‣ **(Coordination)** From the beginning of the program, questions from the participants will be heard and responded, especially on the program operation, such as administrative details and living convenience.
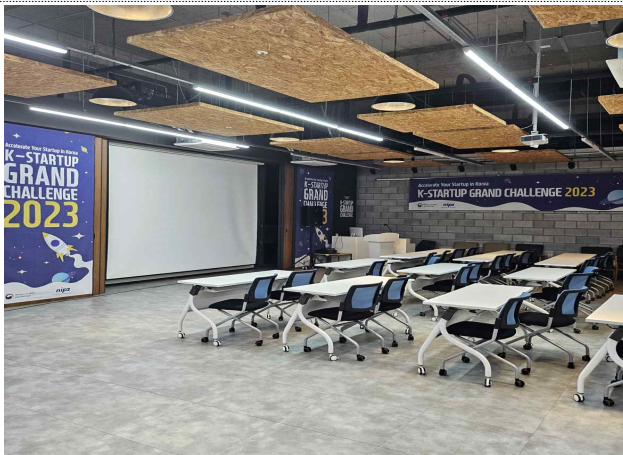
○ **Interns**: One Korean intern, speaking Korean and English, shall be offered for every two startups, who will support participants' commercialization in Korea during the accelerating program period. (3.5 months)

○ **Office Space**: Office space in Pangyo Startup Campus shall be offered. (Space for two people / team)

> o **Location:** 1F, Bldg 3, 20 Pangyo-ro 289beon-gil, Bundang-gu, Seongnam-si Gyeonggi-do, (Start-up Campus, Global Bootcamp)
> o **Size:** Office space with 220 seats, 10 meeting spaces, public community spaces, etc.
> o **Period:** From September 2024 to June 2025
> 　　* However, period is subject to change depending on the program participation, government policy, etc.
> o **Remarks**: Free rent and maintenance fees
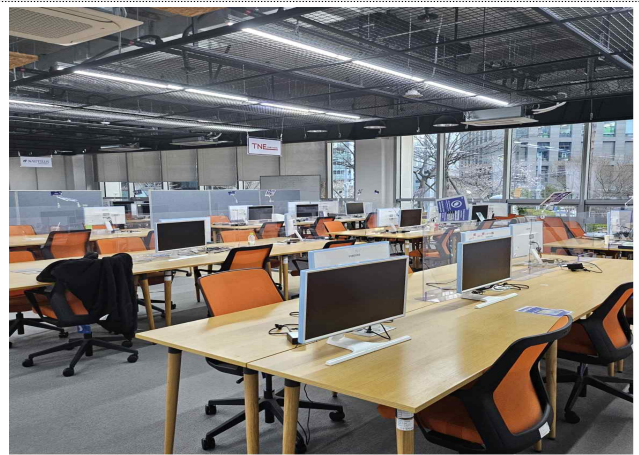> o **Provided equipments**: Office desks and chairs (two people per team), wired network, printer, etc.

Pangyo Startup Campus

Event Hall	Office Space

□ Program Support

o **Phase-1 Accelerating Program** (3.5 months): Korean accelerators provide catered support to participants, such as matching them to potential Korean partners, engaging them in networking events with investors, etc, for their advancement into the Korean market.

o **Demo Day** : Each accelerator carries out its own Demo Day event. After adding up the scores gauging their settlement level in the market, opportunities to take part in K-Startup Grand Challenge Demo Day will be granted to top eight startups.

<div align="center">**< Demo Day event process (Plans) >**</div>

Category	Settlement Evaluation	✚	Demo Day event by each accelerators	Grand Challenge Demo Day
Targets	· 40 teams			· Top 8 Teams
Selection	· **(Follow-up Support)** Top 20 teams · **(Grand Challenge Demo Day)** Top 8 Teams			· **(Prize)** Awards by 5-team ranking
Operating entity	KISED		Each accelerators	KISED

○ **Phase-2 Follow-up Accelerating Program** (3 months) : Top 20 startups selected during the demo day event, will be given opportunities to have meetings with Korean companies and investors, office space, etc.

‣ **(Accelerating)** Accelerating modules will maximize each startup`s strong points (merits) and improve week points of doing business in Korea through localization, and pivoting, etc.

. **(On-demand Support)** After carrying out survey on participants` demands, their interests will be taken into account to provide catered accelerating modules.

. **(1:1 Mentorship with Experts)** Mentorship for startups` scale-up will be provided upon quick diagnosis on the participants.

. **(Matching & Meeting)** Startups will be given opportunities to have networking with large conglomerates and SMEs in Korea for fruitful results, such as partnership, contract, MoU, early-stage sales record, etc.

. **(Meetup)** Participants will be allowed to participate—with their accelerators—in meetup and demo day events arranged by private companies in order to have deeper understanding on the Korean startup and venture ecosystem.

. **(Consulting·Seminar)** Consulting and seminar sessions will be offered to startups on regular and occasional basis, especially on commercialization, tax, laws and regulations.

○ **Phase-3 2nd year Accelerating Program (TBD)** : Acceleration will be extended for a total of 2 years (to 2025) for the best teams from the 2024 selection (under consideration)

☐ Financial Support

○ **Phase-1, 2 Participation Subsidies:** For those who have faithfully participated in the program, monthly grant will be given to support startups' stay and business activities in Korea.

○ **Demo Day Prize Money:** In commemoration of the excellence, and encouragement for more proactive business activities in Korea, top 5 startups shall be selected during the Grand Challenge Demo Day who shall receive prize money.

< Overview of Financial Support >

Category	Targets	Contents	
Phase-1 Participation Subsidy	40 teams	KRW 3,500K x 3.5mths (Sept.-Dec.2024)	
Phase-2 Participation Subsidy	Top 20 teams	KRW 3,500K x 3mths (Jan.-Apr.2025)	
Phase-2 Fund for Commercialization		KRW 12,000K per team	
Demo Day Prize Money (To be provided in Korean won)	Top five teams selected during the Demo Day event	1st place	$150,000 (KRW 200,000K)
		2nd place	$100,000 (KRW 135,000K)
		3rd place	$70,000 (KRW 95,000K)
		4th place	$50,000 (KRW 70,000K)
		5th place	$30,000 (KRW 40,000K)

4 | Roles and Responsibilities

○ All participating startups and teams have the obligation to participate in the entire K-Startup Grand Challenge program in good faith, and to be fully aware of Detailed Management Standards of the program.

○ Being a program where non-Korean startups participate, 2024 K-Startup Grand Challenge requires English communication skill during the evaluation period and accelerating programs. Translation services shall not be provided.

○ All participating startups are encouraged to purchase travel insurance, and all disadvantages and responsibilities arising from not complying with the following[*] are to be borne by the applicants.

* Complying with the Korean laws and regulations, reachability amid emergent situation, personal hygiene to prevent diseases, caution for theft and loss, etc.

○ Representatives or C-levels of the participating startups must be fluent in English, and in full charge of the program in good faith.

* In principle, change of staff members in charge is not allowed. If the substitution is unavoidable, or officials in charge are unable to stay in Korea, the participating startup must ask and receive approval from the Management Agency in advance.

○ All participating startups shall respond to the general requests required for the record management for the next five years from the year when the program terminates.

○ Civil and criminal liabilities arising from the theft of others' ideas or technologies lie on the startups (representatives).

○ If a startup is a corporate body, responsibilities for program operation and program costs management rest on the corporation. Responsibilities arising from retrieval of the program costs due to inappropriate use rests with the representatives of the startups (selected ones), and such acts, including but not limited to misuse, embezzlement, swindling, etc, may encounter administrative actions, such as sanctions or claim collection, etc.

○ Selected ones may encounter sanctions, such as expiration of the agreement, if they change representatives without any justifiable reasons.

| 5 | Application and Registration |

☐ **Period :** April 30 ~June 7, 15:00 (KST), 2024

☐ **Instrument :** Online application by accessing KSGC homepage

○ URL : https://k-startupgc.org

< Required Documents >

Category	Documents	Remarks
1	Application form *(written in English)*	Please refer to the format *(Att. 1)*
2	Introductory materials	IR Pitch Deck
3	Additional documents *(Optional)*	Technology Startup Preparation Visa or Technology Startup visa in Korea, Certificate of Business registration in Korea, etc
4	Passport *(Those who passed the document screening)*	To check the nationality of the applicant (representative of the startups)
5	Business registration *(Those who passed the document screening)*	Business registration of the startups` home countries, or any other documents equivalent thereto

* Please note that the files to be uploaded shall not exceed **100MB.**

** Please make sure to use the application form attached. Application not using the attached format shall be disregarded from the evaluation. If an applicant fails to submit any of the required documents mentioned above, the application shall also be set aside.

| 6 | Evaluation and Selection |

☐ **Evaluation Process**

○ The evaluation consists of three steps: ①preliminary review → ②document screening → ③presentation evaluation. Scores of each step shall be disregarded in the next rounds.

① **(Preliminary Review)** This step is to exclude applications who filled less than 60%, minimum amount, of the application form. Documents will be not taken into account if they are falling short－less than 60% of the required amount. Omission of certain required documents, applications not written in English, etc, will also be disregarded.

② **(Document Screening)** Applicants three times the number of startup teams to be finally selected (around 120 teams) shall be selected through this step.

- Startups who are subject to exempt from the document screening also have to finish application, and meet all the requirements stated in the notification.
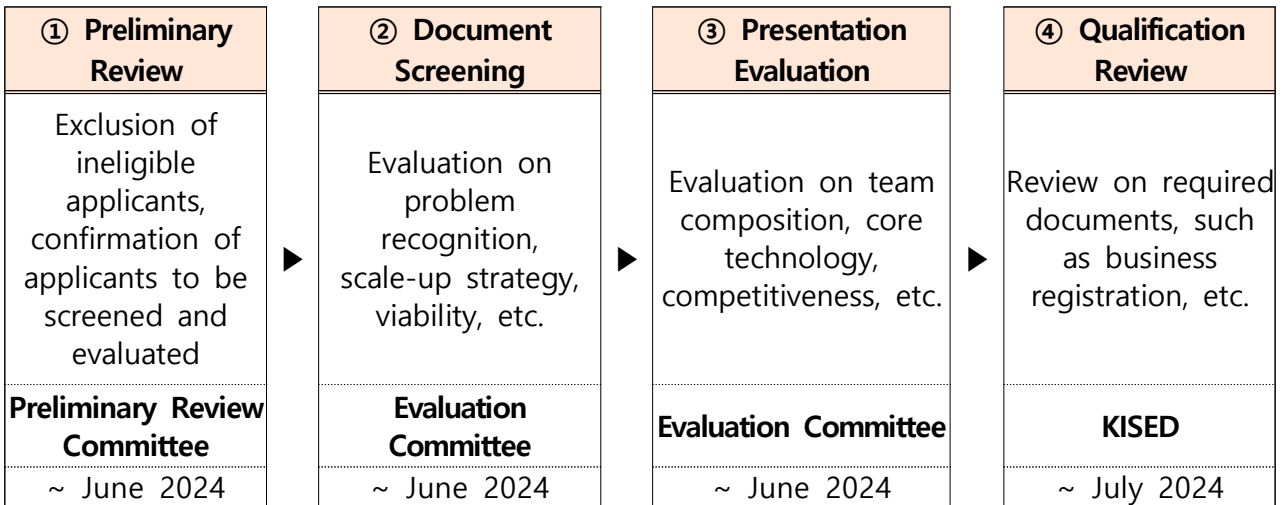
< Additional Points >

Category	Explanation	Points	Remarks
Additional Points (4 points in max)	In case a (pre-) startup`s representative has technology startup preparation visa(D-10-2) or technology startup visa(D-8-4) in Korea, the startup will receive additional points in document screening.	2	Visa valid as of the application deadline
	In case a (pre-) startup has registered as a corporation in Korea, the startup will receive additional points in document screening.	2	Certificate of Business registration in Korea

③ **(Presentation Evaluation)** 15-minute presentation and 15-minute Q&A session (Language: English)

  * The session will be carried out online in mid-June in KST.
  ** Applicants who participate in the presentation evaluation may be asked to submit additional document, such as passport or business registration.

< Process of Startup Selection (Plan) >

① **Preliminary Review**	② **Document Screening**	③ **Presentation Evaluation**	④ **Qualification Review**
Exclusion of ineligible applicants, confirmation of applicants to be screened and evaluated	Evaluation on problem recognition, scale-up strategy, viability, etc.	Evaluation on team composition, core technology, competitiveness, etc.	Review on required documents, such as business registration, etc.
Preliminary Review Committee	**Evaluation Committee**	**Evaluation Committee**	**KISED**
~ June 2024	~ June 2024	~ June 2024	~ July 2024

□ Evaluation Criteria

< Evaluation Criteria (Plan) >

Category	Key Details
Problem Recognition	‣ What is the problem to solve? What is the pain point of the customers? ‣ What is the applicant`s solution—goods and services—to the problem, and is it creative / innovative? ‣ Does the applicant understand business model, namely B2B, B2C, and B2G, and does the one have clear target customers?
Viability and Differentiation	‣ Is the applicant`s item viable—possibility of improvement or development? What is the detailed plan for commercialization? ‣ What is the applicant`s sales record, funding round, amount of funding, etc? ‣ What differentiates the applicant from its competitors around the world: technological barriers, etc?
Korean Market Expansion Plan	‣ Is the applicant`s market targeting analysis-based and feasible? ‣ Does the applicant have a detailed commercialization strategy for market expansion? ‣ Is the applicant willing to make a foray into the Korean market, incorporation in Korea or relocation of its headquarters to Korea?
Team Capacity	‣ Experience in starting up a business, core capability of the team ‣ Growth potential and sustainability of the team

* Applicants—(pre-) startups—are preferred whose MVP can be showcased in Korea, or who have detailed plan of headquarters relocation to, or incorporation in Korea are preferred.

☐ Final Selection

○ **(Final Selection)** Applicants will be shortlisted taking their presentation evaluation result into account. The committee will finally select top 40 startups.

| 7 | Note |

☐ Upon the Application

○ **Application** to the program must be done **by the representative of the applicant－startup.** If the applicant's name is different from the representative's name stated in the application form, the application will be excluded from the evaluation, or regarded failed. If it is the case of a finally selected one, the selection and agreement reached therewith may be cancelled.

○ Responsibility for ignorance of the contents of the notification rests with the applicants.

○ Details not specified in the notification shall be informed separately to the finally selected startups.

○ Any startup found to have submitted unidentified and/or false information during the process, or even after its selection, may be excluded from the evaluation process or its selection may be cancelled.

○ Any startup shall faithfully accept necessary requests by KISED, such as submission of documents, for the five years from the year following the end of the agreement.

○ Please keep the deadline in applying and submitting the documents. (No later than 15:00 KST, June 7, 2024)

  * Any contents of the submitted documents are neither editable, addible, nor replaceable after the deadline even though there are omission and mistakes.

○ Grave breach of the agreement during the program or poor performance of a startup may terminate the agreement according to relevant regulations.

○ Startups who give up on the program operation after selection without any justifiable reason may be excluded from participation in the future.

□ During the Evaluation

○ If the eligibility of a startup is unclear for not submitting evidential documents, the startup shall be eliminated from the evaluation.

○ The representatives of the applicants shall participate by themselves during the whole evaluation process. If not, they shall be excluded from the selection.

○ The Korea Institute of Startup and Entrepreneurship Development(KISED) may (video-)record the entire presentation evaluation, including online interview to guarantee the fairness of the process.

○ An applicant who participate in the presentation evaluation shall submit **related documents that can prove** its nationality and the fact that it has seven years or less or experience. (In case of a new industry business startup, ten years or less)

  * Documents that can prove the startups` nationality and history, such as passport, business registration, etc.

□ After the Selection

○ If a finally selected startup violates the requirements of the notification, relevant regulations, etc, or if it states false information in the program plan, or omit important information, its selection may be cancelled; its participation in the Ministry of SMEs and Startups' startup programs may be restricted afterward; and it may be requested to return the government grant.

○ Startups finally selected shall comply with Guidance on the SMEs and Startup Programs, Guideline on Operation of Startup Program, Detailed Management Standard of the said Program, and guidline materials provided by the Management Agency of the program. Applicants are wholly responsible for any disadvantages of not being fully aware of the regulations.

○ If a finally selected startup is found to have not fulfilled the application requirements, its selection and agreement reached therewith may be cancelled. The startup may be asked to return the program costs, while being kept from taking part in other startup programs.

○ A startup's participation in this program may be suspended, and it may be asked to return the government grant provided for the program according to the result of spot (interim) and/or final inspection.

○ Change in the representative of a startup may cause the cancellation of the agreement.

○ In case a startup should return the program costs due to

misuse, embezzlement, swindling, etc, the Korea Institute of Startup and Entrepreneurship Development and the Management Agency of the program may take administrative actions, such as sanctions or claim collection, etc.

○ If a selected startup or a staff member thereof breaches Korean laws or international laws, or is engaged in a lawsuit, it may lead to cancellation of the final selection, termination of the agreement, restriction of participation in future programs, request for return of the government grant.

○ Finally selected startups shall open a bank account (for program costs) designated by the Korea Institute of Startup and Entrepreneurship Development.

   * If a startup is not capable of opening a bank account or bank account transactions, its selection may be cancelled.
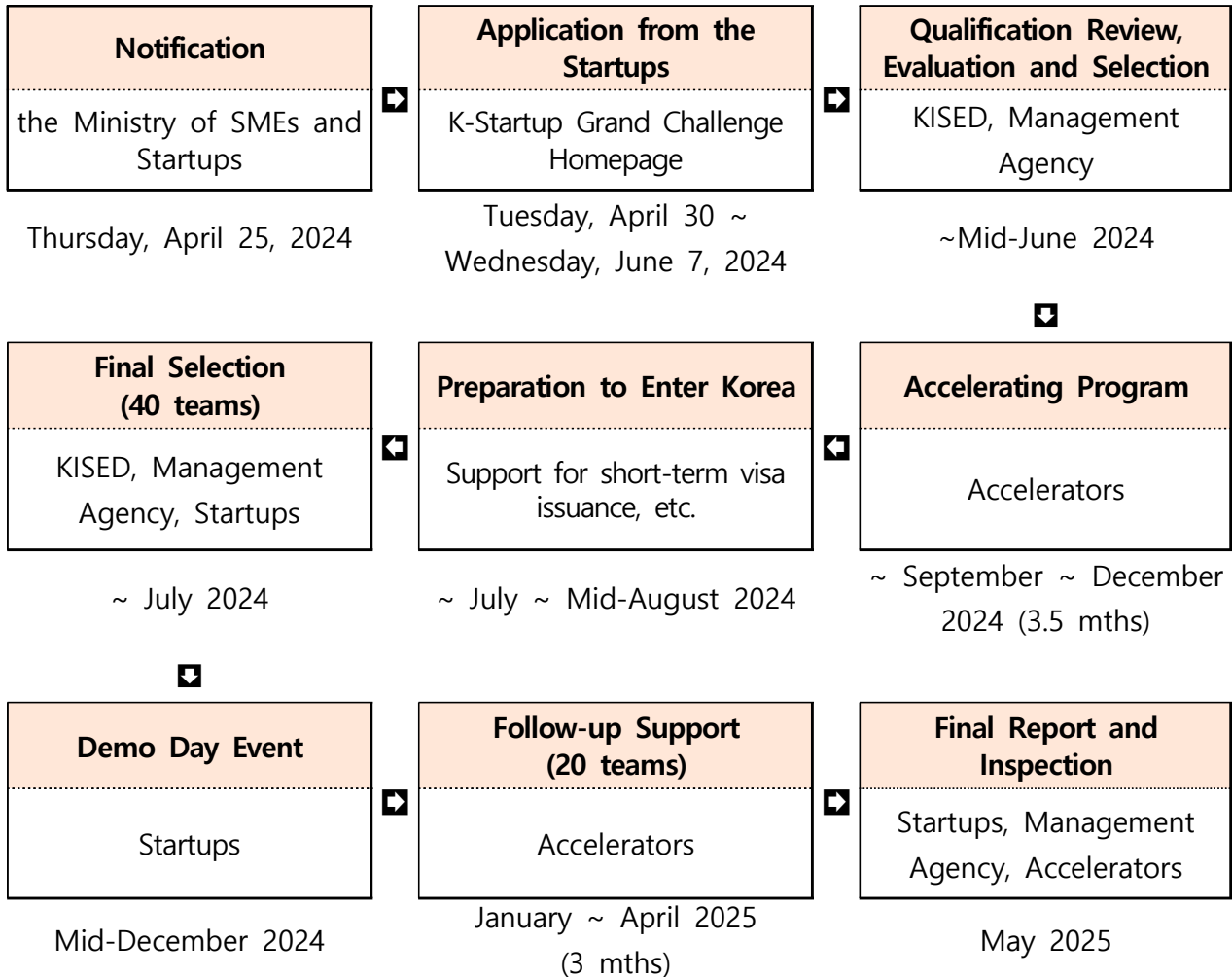
7 Contact

○ **(Inquiries on the Program)** K-Startup Grand Challenge Secretariat

 - E-mail✉ : ksgc.secretariat@ccei.kr

 - Phone☎ : +82-031-780-9077

○ **(Other Inquiries)** The Korea Institute of Startup and Entrepreneurship Development(KISED)

 - E-mail✉ : inbound@kised.or.kr

Reference 1	Program Schedule (Plan)

Notification

the Ministry of SMEs and Startups

Thursday, April 25, 2024

➡

Application from the Startups

K-Startup Grand Challenge Homepage

Tuesday, April 30 ~ Wednesday, June 7, 2024

➡

Qualification Review, Evaluation and Selection

KISED, Management Agency

~Mid-June 2024

⬇

Final Selection (40 teams)

KISED, Management Agency, Startups

~ July 2024

⬅

Preparation to Enter Korea

Support for short-term visa issuance, etc.

~ July ~ Mid-August 2024

⬅

Accelerating Program

Accelerators

~ September ~ December 2024 (3.5 mths)

⬇

Demo Day Event

Startups

Mid-December 2024

➡

Follow-up Support (20 teams)

Accelerators

January ~ April 2025 (3 mths)

➡

Final Report and Inspection

Startups, Management Agency, Accelerators

May 2025

* The schedule stated above is subject to change.

Reference 2	New Industry Business Startup Sector

○ **(Pre-startup to 7 years or less of experience)** Tech or services based startups can apply regardless of industry.

○ **(8 years to 10 years)** If your startup falls under any of the following new industry business startup sectors, startups are eligible for the application.

< New Industry Business Startup Sector >

①	Artificial Intelligence	⑩	Self driving vehicle	⑲	Smart home
②	Big Data	⑪	Electric, hydrogen car	⑳	Renewable energy
③	5G+	⑫	Bio	㉑	Secondary battery
④	Blockchain	⑬	Medical device	㉒	Carbon capture, utilization, and storage, CCUS
⑤	Service platform	⑭	Functional foods	㉓	Resource recycling, energy reuse
⑥	Realistic contents	⑮	Drone, personal mobility device	㉔	Aerospace
⑦	Intelligent robotics	⑯	Future fleet	㉕	Next generation nuclear power
⑧	Smart manufacturing	⑰	Disaster and safety	㉖	Quantum
⑨	System semiconductor	⑱	Smart city	㉗	Cybersecurity

Reference 3	Types of Business Excluded

▶ Startups (or individuals) of types stated in Article 4 (Types of Business Excluded from Scope of Business Startup) of Enforcement Decree of the Support for Small and Medium Enterprise Establishment Support Act. are not eligible for Startup support.

NO.	Types of Business	Code number
1	General Entertainment Bars Business	56211
2	Ballroom Entertainment Business	56212
3	Other meander facility management and operations	91249
4	Any other industries designated by the Ministry of SMEs and Startups Ordinance as industries that significantly violate economic order and public order and morals.	-

  * For the details of the types of business, refer to 10th Korean Standard Industrial Classification Code (Statistics Korea, kssc.kostat.go.kr).