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ENFORCEMENT DECREE OF THE FOREIGN INVESTMENT PROMOTION ACT

Presidential Decree No. 15931, Nov. 14, 1998
Amended by Presidential Decree No. 16330, May 24, 1999
Presidential Decree No. 16583, Oct. 27, 1999
Presidential Decree No. 16720, Feb. 23, 2000
Presidential Decree No. 17137, Feb. 24, 2001
Presidential Decree No. 17135, Feb. 24, 2001
Presidential Decree No. 17474, Dec. 31, 2001
Presidential Decree No. 17686, Jul. 27, 2002
Presidential Decree No. 17851, Dec. 30, 2002
Presidential Decree No. 18039, Jun. 30, 2003
Presidential Decree No. 18222, Jan. 13, 2004
Presidential Decree No. 18343, Mar. 29, 2004
Presidential Decree No. 18662, Dec. 31, 2004
Presidential Decree No. 18736, Mar. 8, 2005
Presidential Decree No. 19321, Feb. 8, 2006
Presidential Decree No. 20947, Jul. 29, 2008
Presidential Decree No. 21098, Oct. 29, 2008
Presidential Decree No. 21181, Dec. 24, 2008
Presidential Decree No. 21182, Dec. 24, 2008
Presidential Decree No. 21214, Dec. 31, 2008
Presidential Decree No. 21515, May 29, 2009
Presidential Decree No. 21590, Jun. 30, 2009
Presidential Decree No. 21641, Jul. 27, 2009
Presidential Decree No. 21657, Jul. 30, 2009
Presidential Decree No. 21719, Sep. 9, 2009
Presidential Decree No. 21882, Dec. 14, 2009
Presidential Decree No. 21918, Dec. 30, 2009
Presidential Decree No. 22073, Mar. 9, 2010
Presidential Decree No. 22224, Jun. 28, 2010
Presidential Decree No. 22426, Oct. 5, 2010
Presidential Decree No. 22815, Apr. 1, 2011
Presidential Decree No. 23297, Nov. 16, 2011
Presidential Decree No. 23993, Jul. 26, 2012
Presidential Decree No. 24442, Mar. 23, 2013
Presidential Decree No. 24502, Apr. 22, 2013
Presidential Decree No. 24585, Jun. 11, 2013
Presidential Decree No. 24638, Jun. 28, 2013
Presidential Decree No. 25221, Feb. 27, 2014
Presidential Decree No. 25249, Mar. 11, 2014
Presidential Decree No. 25476, Jul. 16, 2014
Presidential Decree No. 25655, Oct. 15, 2014
Presidential Decree No. 25840, Dec. 9, 2014
Presidential Decree No. 26205, Apr. 20, 2015
Presidential Decree No. 26600, Oct. 23, 2015
Presidential Decree No. 26803, Dec. 30, 2015
Presidential Decree No. 27406, Jul. 28, 2016

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Decree is to prescribe matters delegated by the Foreign Investment Promotion Act and matters necessary for the enforcement thereof.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 2 (Definitions of Foreign Investment, etc.)

(1)"International economic cooperative organization prescribed by Presidential Decree" in Article 2 (1) 1 of the Foreign Investment Promotion Act (hereinafter referred to as the "Act") means:

- 1.An agency that conducts foreign economic cooperation affairs on behalf of a foreign government;
- 2.An international organization that deals with affairs concerning development finance, such as the International Bank for Reconstruction and Development, the International Financial Corporation, and the Asia Development Bank;
- 3.An international organization that deals with affairs concerning foreign investment, whether for itself or others.

(2)"Foreign investment" under Article 2 (1) 4 (a) of the Act refers to any of the following and the investment amount is at least 100 million won: Provided, That where a business fails to meet the requirements of the main sentence of this paragraph due to partial transfer of stocks or shares (hereinafter referred to as "stocks, etc.") or capital reduction, etc. after it has been registered as a foreign-capital invested company under Article 21 (1) and (2) of the Act, it shall be also deemed a foreign investment: <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 27406, Jul. 28, 2016>

- 1.Where a foreigner owns at least 10/100 of either the total number of voting stocks issued by a Korean corporation (including a corporation in the process of establishment; hereinafter the same shall apply) or a company run by a national of the Republic of Korea, or its total equity investment;
- 2.Where a foreigner who owns stocks, etc. of a Korean corporation or a company run by a national of the Republic of Korea dispatches or appoints an executive officer (referring to a director, a representative director, a managing general partner, an auditor, or a person in a similar position, who has the authority to participate in decision-making for important management matters; hereinafter the same shall apply) to or at such corporation or company.

(3)"Investment amount" in the main sentence of paragraph (2) means the acquisition price of stocks, etc. (including where a foreign investor owns stocks as a foreign-capital invested company capitalizes the earned surplus reserve under Article 458 of the Commercial Act, pursuant to Article 461 of the same Act) and, where two or more

foreigners make a joint investment, it means an amount invested by each person. In such cases, if a decrease in the amount of stocks, etc. held by a foreign investor is made due to capital reduction without any refund of the foreign-capital invested company, the investment amount at the time of acquisition of stocks, etc. shall be deemed to remain unchanged. <Newly Inserted by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 26803, Dec. 30, 2015>

(4)"Company that has a capital investment relationship prescribed by Presidential Decree" in Article 2 (1) 4 (b) (ii) of the Act means:

1. A company that holds at least 50/100 of the total number of issued stocks, or of the total equity investment of, its overseas parent company;
2. A foreign-capital invested company that holds at least 50/100 of the total number of issued stocks, or of the total equity investment of which, is held by its overseas parent company, and which is either of the following:
 - (a) Company that holds at least 10/100 of the total number of issued stocks, or of the total equity investment of, its overseas parent company;
 - (b) Company, at least 50/100 of the total number of issued stocks, or of the total equity investment of which, is held by its overseas parent company or a company referred to in subparagraph 1.

(5)"Company that has a capital investment relationship prescribed by Presidential Decree" in Article 2 (1) 4 (b) (iv) of the Act means a company, at least 50/100 of the total number of issued stocks, or of the total equity investment of which, is held by a foreign investor who holds at least 50/100 of the total number of issued stocks, or of the total equity investment of a foreign-capital invested company.

(6)"Standards prescribed by Presidential Decree" in Article 2 (1) 4 (c) of the Act means where a foreigner contributes at least 50 million won, accounting for at least 10/100 of the total amount of contributions to a nonprofit corporation that meets all of the following requirements: <Amended by Presidential Decree No. 24585, Jun. 11, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

1. It shall have an independent research facility;
2. It shall meet either of the following requirements:
 - (a) At least five regular workers defined under Article 11 of the Labor Standards Act (hereinafter referred to as "regular worker") with a bachelor's degrees in the fields of science and technology and at least three years' research career, or with a master's or higher degree in the fields of science and technology;
 - (b) Engaging in research and development activities in the fields of natural science or engineering pursuant to the Korean Standard Industrial Classification prepared and publicly notified by the Commissioner of the Statistics Korea under Article 22 of the Statistics Act (hereinafter referred to as "Korean Standard Industrial Classification").

(7)"Standards prescribed by Presidential Decree" in Article 2 (1) 4 (d) of the Act means where a foreigner contributes at least 50 million won, accounting for at least 10/100 of the total

amount of contributions to a nonprofit corporation that is either of the following:

<Amended by Presidential Decree No. 27406, Jul. 28, 2016>

1. Nonprofit corporation that has been established with the purposes of promotion, etc. of science, art, medical services, or education, and continuously performs projects for developing experts in the relevant fields and for expanding international exchanges;
2. Local headquarters of an international organization performing international cooperation projects between civilians or governments.

(8) "Establishments prescribed by Presidential Decree" in Article 2 (1) 7 of the Act means:

<Amended by Presidential Decree No. 24442, Mar. 23, 2013>

1. A foreigners' school established under Article 60-2 of the Elementary and Secondary Education Act;
2. A general hospital, hospital, dental hospital, oriental medical hospital, intermediate care hospital, medical clinic, dental clinic, oriental medical clinic, and midwifery clinic referred to in Article 3 (2) of the Medical Service Act;
3. A pharmacy defined under subparagraph 3 of Article 2 of the Pharmaceutical Affairs Act;
4. Detached housing and multi-family housing referred to in subparagraphs 1 and 2 of attached Table 1 of the Enforcement Decree of the Building Act;
5. Other facilities determined and publicly notified by the Minister of Trade, Industry and Energy following deliberation by the Foreign Investment Committee (hereinafter referred to as the "Foreign Investment Committee") established under Article 27 of the Act, such as a business incubation center for foreign investors.

(9) "Intellectual property rights prescribed by Presidential Decree" in Article 2 (1) 8 (d) of the Act means any rights used in the industrial activities among copyrights registered under the Copyright Act and the layout-design rights defined under subparagraph 5 of Article 2 of the Act on the Layout-Designs of Semiconductor Integrated Circuits.

(10) "Stocks prescribed by Presidential Decree" in Article 2 (1) 8 (g) of the Act means the following:

1. Stocks of foreign corporations listed on foreign securities markets;
2. Stocks owned by foreigners under the Act or the Foreign Exchange Transactions Act.

(11) "Means of domestic payment prescribed by Presidential Decree" in Article 2 (1) 8 (i) of the Act means proceeds from the sale of stocks, etc. and real estate of a Korean corporation or a company run by a national of the Republic of Korea, held by a foreigner pursuant to the Act and the Foreign Exchange Transactions Act.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 3 (Definition of Individual who Holds Permanent Residency in Foreign Country)

"Individuals prescribed by Presidential Decree" in Article 2 (2) of the Act means the following persons:

1. A person who has acquired permanent residency in the country where he/she resides;
2. A person who has acquired a resident permit for four or more years in a country without the permanent residency system;
3. A person who has resided for four or more years and acquired a resident permit for one or

more year in a country which grants a resident permit for less than four years only without the permanent residency system.

[This Article Wholly Amended by Presidential Decree No. 27406, Jul. 28, 2016]

Article 4 (Remittance of Proceeds, etc. to Foreign Countries)

- (1) Where a foreign investor or a provider of the loan prescribed in Article 2 (1) 4 (b) of the Act intends to remit funds to a foreign country pursuant to Article 3 (1) of the Act, the head of a foreign exchange bank prescribed in the Foreign Exchange Transactions Act (hereinafter referred to as "head of a foreign exchange bank") shall verify the legitimacy of the remittance to a foreign country.
- (2) The head of a foreign exchange bank may request cooperation, such as verifying information on the relevant foreign investment, from the Minister of Trade, Industry and Energy, the president of the Korea Trade-Investment Promotion Agency, or the head of a foreign exchange bank entrusted with business affairs referred to in the subparagraphs of Article 40 (2) (hereinafter referred to as "head of an entrusted institution"), if necessary to verify the legitimacy of the remittance to a foreign country under paragraph (1).
- (3) Upon completion of the remittance to a foreign country prescribed in paragraph (1), the head of a foreign exchange bank shall notify such fact to the Minister of Trade, Industry and Energy or the head of an entrusted institution without delay.

[This Article Wholly Amended by Presidential Decree No. 27406, Jul. 28, 2016]

Article 5 (Categories of Businesses, etc. with Restricted Foreign Investment)

- (1) The categories of businesses in which foreign investment is restricted pursuant to Article 4 (3) of the Act and the details of restrictions shall be as follows: <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 25655, Oct. 15, 2014; Presidential Decree No. 27406, Jul. 28, 2016>
 1. Each of the following publicly notified by the Minister of Trade, Industry and Energy after consultation with the competent Minister, in consideration of the scope of a reservation concerning domestic direct investment by nonresidents set out in Annex 1 (Reservations of the Code of Liberalization of Capital Movements) to the invitation agreements to join the Convention on the Organization for Economic Cooperation and Development for the Republic of Korea, in the Convention on the Organization for Economic Cooperation and Development, and details of a reservation set out in the Annex to the Convention on the Organization for Economic Cooperation and Development concerning bilateral or multilateral investments:
 - (a) A category of business (hereinafter referred to as "category of restricted business") in which foreign investment is not permitted or is partially permitted;
 - (b) The ratio of total foreign investment permitted (hereinafter referred to as "ratio of permissible foreign investment") for each category of business in which foreign investment is partially permitted under subparagraph 1;
 - (c) Qualifications of foreign investors and the parties to domestic joint investment;
 - (d) Other standards for permission, such as the timing of permission for foreign investment;
 2. Matters determined as threats to national security by the Minister of Trade, Industry and Energy following deliberation by the Foreign Investment Committee, upon a request by

the competent Minister to review whether a foreign investment that meets all of the following conditions may threaten national security as prescribed in Article 4 (2) 1 of the Act (hereinafter referred to as "threat to national security"):

- (a) Where a foreigner intends to acquire de facto control over the management of an existing domestic company by acquiring its stocks, etc.;
- (b) Any of the following cases where:
 - (i) Manufacturing defense materials defined under subparagraph 7 of Article 3 of the Defense Acquisition Program Act (hereinafter referred to as "defense materials") may be hindered;
 - (ii) Goods, etc. or technologies subject to permission or approval for exportation under Article 19 of the Foreign Trade Act are likely to be used for military purposes;
 - (iii) Contents of a contract, etc. classified as confidential information of the State under Article 13 (4) of the National Intelligence Service Act (hereinafter referred to as "confidential information of the State") are likely to be disclosed;
 - (iv) International efforts of the United Nations, etc. to maintain international peace and security may be substantially and critically hindered.
- (2) Notwithstanding paragraph (1) 1, a foreigner may make an investment in a company, of which turnover ratio of a category of restricted business, does not exceed 1/100 of the total turnover, with no restriction prescribed in paragraph (1) 1.
- (3) Where the turnover ratio of a category of restricted business of a company falling under paragraph (2) has exceeded 1/100 of the total turnover of the company after a foreigner acquired stocks, etc. of the company, the stocks, etc. acquired in excess of the ratio of permissible foreign investment shall be transferred to a national of the Republic of Korea or a Korean corporation within six months from the settlement date of final accounts of the business year in which such ratio is exceeded: Provided, That the period of transfer may be extended up to six months with the approval of the Minister of Trade, Industry and Energy in inevitable circumstances. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>
- (4) No foreigner shall make an investment in any company concurrently running both a category of business in which foreign investment is not permitted and a category of business in which foreign investment is partially permitted under paragraph (1) 1 (a), and where intending to make an investment in any company running at least two categories of business in which foreign investment is partially permitted under paragraph (1) 1 (a), he/she is prohibited from making an investment in the company in excess of the ratio of foreign investment in the category of business in which the ratio of permissible foreign investment is lowest.
- (5) No competent Minister may make a review request under paragraph (1) 2 after 30 days from the date of reporting on the relevant foreign investment under Article 5 (1) through (3) of the Act. <Amended by Presidential Decree No. 27406, Jul. 28, 2016>
- (6) Before reporting on foreign investment under Article 5 (1) through (3) of the Act, a foreigner may request the competent Minister or the Minister of Trade, Industry and Energy to verify whether the relevant foreign investment is eligible for a review request

under the items of paragraph (1) 2, upon fulfilling matters publicly notified by the Minister of Trade, Industry and Energy. In such cases, such request for verification made by a foreigner shall be deemed a report on foreign investment for purposes of paragraphs (1) 2, (5), and (7). <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

(7)The Minister of Trade, Industry and Energy shall determine whether the relevant foreign investment corresponds to a threat to national security, following deliberation by the Foreign Investment Committee, within 90 days from the date of the review request made by the competent Minister under paragraph (1) 2. In such cases, the Minister of Trade, Industry and Energy may make a determination allowing the foreign investment classified as a threat to national security, imposing such conditions as dividing and selling a specific part of business or maintaining security, following deliberation by the Foreign Investment Committee, where deemed necessary. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

(8)If the Minister of Trade, Industry and Energy makes a determination under paragraph (7), he/she shall, without delay, give a notice of approval or disapproval on the acquisition of stocks, etc. by the relevant foreigner, and publicly announce the following matters, except for confidential information the State: <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

1. Whether such foreign investment corresponds to a threat to national security;
2. Grounds for such determination;
3. The details of conditions (if imposed under the latter part of paragraph (7)).

(9)Where the Minister of Trade, Industry and Energy has made a determination under the forepart of paragraph (7) that a foreign investment corresponds to a threat to national security, the relevant foreigner who has already acquired stocks, etc. of companies with the foreign investment shall transfer such stocks, etc. to a national of the Republic of Korea, a Korean Corporation, or a foreigner who poses no threat to national security (hereinafter referred to as "Korean national, etc.") within six months from the date of such determination; where the Minister has made a determination on conditional approval for investment pursuant to the latter part of paragraph (7), the relevant foreigner shall transfer such stocks, etc. to a Korean national, etc. within six month from the date the Minister becomes aware of a violation of the relevant conditions: Provided, That the period of such transfer may be extended up to one year with the approval of the Minister of Trade, Industry and Energy in inevitable circumstances. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

(10)Where any details of restrictions on foreign investment publicly announced by the Minister of Trade, Industry and Energy in the preceding year under Article 4 (4) of the Act are modified or added, the head of a relevant administrative agency shall compile such modifications or additions as at January 1 and notify the Minister of Trade, Industry and Energy thereof by the end of January, and the Minister of Trade, Industry and Energy shall combine and publicly announce them by the last day of February each year. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 5-2 (Requests for Data Necessary for Formulating Plans to Stimulate Foreign Investment)

"The heads of relevant financial institutions prescribed by Presidential Decree" in Article 4-2 (5) of the Act means the heads of financial institutions (limited to requests for data constituting the details determined by Minister of Trade, Industry and Energy in prior consultation with the Minister of Strategy and Finance or the Chairperson of the Financial Services Commission) determined by the Governor of the Bank of Korea (limited to requests for data on the current status of receipt of remuneration for supply of technology by kind) and the Minister of Trade, Industry and Energy after consultation with the Minister of Strategy and Finance or the Chairperson of the Financial Services Commission. <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 24442, Mar. 23, 2013>

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

CHAPTER II PROCEDURES FOR FOREIGN INVESTMENT

Article 6 (Reporting on Foreign Investment, etc.)

(1)"Specially related persons prescribed by Presidential Decree" in Article 5 (1) and the forepart of Article 6 (1) of the Act means any of the following persons:

- 1.Spouse and lineal ascendants and descendants of the relevant foreigner (including lineal ascendants and descendants of the spouse of the relevant foreigner);
- 2.A foreign corporation where the relevant foreigner and persons in such relationship as prescribed in subparagraph 1 or 3 together hold at least 50/100 of the total number of issued stocks or the total equity investment, or a foreign corporation virtually controlled by the relevant foreigner and said persons;
- 3.Employees of the relevant foreigner and persons prescribed in subparagraph 2 or 4 (referring to executive officers in the case of a corporation; in the case of an individual, they shall refer to trade employees, other employed persons through an employment contract, or persons who maintain their livelihood by means of money or property of the individual);
- 4.A foreign corporation where such a corporation prescribed in subparagraph 2, the relevant foreigner, and persons prescribed in subparagraphs 1 and 3 together hold at least 50/100 of the total number of issued stocks or the total equity investment.

(2)Where a report on modification filed under Article 5 (3) of the Act contains matters concerning early redemption of loans, the Minister of Trade, Industry and Energy shall, without delay, notify the details of such report to the Commissioner of the National Tax Service, the Commissioner of the Korea Customs Service, the Special Metropolitan City Mayor, Metropolitan City Mayors, the Metropolitan Autonomous City Mayor, Do Governors, and the Special Self-Governing Province Governor (hereinafter referred to as "Mayor/Do Governor"). In such cases, the Mayors/Do Governors shall, without delay, notify the head of the agency that manages the relevant foreign investment zone of the details, as prescribed in Article 18 (5) of the Act.

[This Article Wholly Amended by Presidential Decree No. 27406, Jul. 28, 2016]

Article 7 (Permission of Foreign Investment, etc.)

- (1) "Defense industry company prescribed by Presidential Decree" in Article 6 (1) of the Act means a defense industry company defined under subparagraph 9 of Article 3 of the Defense Acquisition Program Act.
- (2) The processing period for determining whether to grant permission pursuant to Article 6 (2) of the Act shall be 15 days from the date of receiving an application for permission: Provided, That such processing period may be extended by up to 15 days only on one occasion in inevitable circumstances.
- (3) Where the Minister of Trade, Industry and Energy deems that an application for permission for foreign investment filed under Article 6 (1) of the Act needs supplementing or correcting, he/she may require the relevant applicant to supplement or correct the application within a prescribed period for such supplement or correction. In such cases, the period spent for supplementing or correcting any information on the application shall be disregarded for the purpose of calculating the processing period referred to paragraph (2).
- (4) The Minister of Trade, Industry and Energy shall request the Minister of National Defense to consult on an application for permission for foreign investment under Article 6 (1) of the Act pursuant to paragraph (3) of the same Article, and the Minister of National Defense in receipt of such request for consultation shall present his/her opinions on the application to the Minister of Trade, Industry and Energy within ten days of receipt of such request.
- (5) Where the Minister of National Defense in receipt of the request pursuant to paragraph (4) deems that defense materials produced by a defense industry company applied for permission are replaceable by products of other domestic companies or that granting permission will not significantly affect national security, he/she shall consent to granting of such permission.
- (6) In presenting his/her opinions under paragraph (4), the Minister of National Defense may request that the Minister of Trade, Industry and Energy grant permission on either of the following conditions:
 1. Conditions necessary for continuous production of the relevant defense materials and for the maintenance of security;
 2. The condition of dividing and selling defense industry facilities defined under subparagraph 11 of Article 3 of the Defense Acquisition Program Act (hereinafter referred to as "defense industry facilities") to a national of the Republic of Korea or a Korean corporation.
- (7) Where permission is granted on the condition prescribed in paragraph (6) 2, a foreigner who has acquired the existing stocks, etc. before the sale of the defense industry facilities completes shall not participate in the management of the relevant defense industry company.
- (8) Pursuant to Article 6 (6) of the Act, the Minister of Trade, Industry and Energy shall order a person who has acquired existing stocks, etc. in violation of Article 6 (1) or (4) of the Act to transfer such existing stocks, etc. to a national of the Republic of Korea or a Korean

corporation within one month from the date he/she becomes aware of the violation. In such cases, the period for transfer shall be determined by the Minister of Trade, Industry and Energy within six month and such period may be extended by up to six months where it is acknowledged that inevitable circumstances arise.

[This Article Wholly Amended by Presidential Decree No. 27406, Jul. 28, 2016]

Article 8 Deleted. <by Presidential Decree No. 27406, Jul. 28, 2016>

CHAPTER III MEASURES FOR SUPPORTING FOREIGN INVESTMENT

Articles 9 through 18 Deleted. <by Presidential Decree No. 16330, May 24, 1999>

Article 19 (Lease, etc. of State or Public Property)

- (1)“Companies meeting the minimum foreign investment ratio prescribed by Presidential Decree” in the main sentence of Article 13 (2) of the Act means any foreign-capital invested company, at least 30 percent of the total number of voting stocks or total equity investment of which, is owned by a foreign investor. For the purpose of calculating the minimum foreign investment ratios, the stockholding ratio computed by the calculation methods provided for in Article 116-2 (11) and (12) of the Enforcement Decree of the Restriction of Special Taxation Act shall not be included in the case of a foreign corporation, the stocks or equity investment of which is directly or indirectly owned by a national of the Republic of Korea (excluding those falling under Article 3) or a Korean corporation. <Newly Inserted by Presidential Decree No. 24585, Jun. 11, 2013; Presidential Decree No. 27406, Jul. 28, 2016>
- (2)“Period prescribed by Presidential Decree” in the main sentence of Article 13 (2) of the Act means five years from the date of conclusion of a negotiated contract under Article 13 (1) of the Act. <Newly Inserted by Presidential Decree No. 24585, Jun. 11, 2013>
- (3)“Number of regular workers prescribed by Presidential Decree” in Article 13 (2) 1 of the Act means the number of regular workers referred to in Article 20-2 (3) and attached Table 2, and “investment amount prescribed by Presidential Decree” in Article 13 (2) 2 of the Act means the amount of foreign investment provided for in Article 25 (1). <Amended by Presidential Decree No. 27406, Jul. 28, 2016>
- (4)The rental charges for land, etc. referred to in Article 13 (5) of the Act shall be the amount computed by multiplying the value of such land, etc. by the rate of at least 10/1,000: Provided, That the rental rates for land, etc. in the area referred to in Article 18 (1) 1 of the Act, designated as a foreign investment zone pursuant to the forepart of the same paragraph, shall be as follows: <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 24585, Jun. 11, 2013>
 - 1.If the relevant land, etc. is State property, the rates determined by the Minister of Trade, Industry and Energy after consulting the Minister of Strategy and Finance;
 - 2.If the relevant land, etc. is public property, the rates determined by the Minister of Trade, Industry and Energy after consulting the head of the local government that is the owner of such land, etc.
- (5)The deferred payment of the purchase price of land, etc. or the payment in installments under Article 13 (6) of the Act shall be made by the following methods. The applicable

interest rate in such cases shall not exceed four percent per annum: <Amended by Presidential Decree No. 24585, Jun. 11, 2013>

1. Where the relevant land, etc. is owned by the State: Payment may be deferred up to one year or payment in installments up to 20 years may be allowed;
 2. Where the relevant land, etc. is owned by a local government: Payment may be deferred or made in installments, as prescribed by municipal ordinance.
- (6) "Foreign-capital invested company running a business prescribed by Presidential Decree" in the main sentence of Article 13 (7) of the Act means any company that builds a new factory facility (referring to a workplace in cases of any business, other than the manufacturing business under the Korean Standard Industrial Classification; hereinafter the same shall apply) to run any of the following businesses: <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 24585, Jun. 11, 2013; Presidential Decree No. 25655, Oct. 15, 2014; Presidential Decree No. 27406, Jul. 28, 2016>
1. Any of the following businesses that make a substantial contribution to the national economy, such as employment growth:
 - (a) A business run by a foreign-capital invested company in any of the zones prescribed in subparagraphs 2 through 4 of Article 18 (1) of the Act, designated as a foreign investment zone under the forepart of the same paragraph;
 - (b) A business granted tax reductions or exemptions pursuant to Article 121-2 (1) 1 of the Restriction of Special Taxation Act, and in which a foreign investment of at least one million U.S. dollars has been made;
 - (c) A business in which a foreign investment of at least five million U.S. dollars has been made, and which intends to be engaged in manufacturing (referring to the manufacturing business under the Korean Standard Industrial Classification; hereinafter the same shall apply);
 - (d) A business which meets all of the following conditions:
 - (i) The amount of foreign investment shall be at least 2.5 million U.S. dollars;
 - (ii) The number of regular workers shall be 70 or more;
 - (iii) It shall run a business provided for in any of subparagraph 1 through 3 of Article 25 (1) or a facility referred to in subparagraph 4 of the same paragraph;
 2. A business that makes a substantial contribution to the expansion of social overhead capital, industrial restructuring, financial independence of local governments, etc., which is determined by the Minister of Trade, Industry and Energy following deliberation by the Foreign Investment Committee.
- (7) The reduction or exemption rate of rental charges for State-owned land, etc. under Article 13 (7) of the Act shall be determined by the head of the central government agency having the jurisdiction of the State-owned land, etc. (including persons to whom duties have been delegated or entrusted pursuant to Article 28 or 42 (1) of the State Property Act; hereinafter the same shall apply) within the limit set forth below: <Amended by Presidential Decree No. 22815, Apr. 1, 2011; Presidential Decree No. 24585, Jun. 11, 2013;

Presidential Decree No. 25655, Oct. 15, 2014; Presidential Decree No. 26205, Apr. 20, 2015; Presidential Decree No. 27406, Jul. 28, 2016>

1. For land, etc. referred to in Article 13 (7) 1 of the Act: Any of the reduction or exemption rates:
 - (a) 100/100 of rental charges for the relevant land, etc. in the case of the following businesses:
 - (i) A business run by a foreign-capital invested company in a foreign investment zone designated under Article 18 (1) 2 of the Act among businesses provided for in paragraph (6) 1 (a), and a business provided for in paragraph (6) 1 (b);
 - (ii) A business producing materials or components defined under subparagraph 1 of Article 2 of the Act on Special Measures for the Promotion of Specialized Enterprises, etc. for Materials and Components (limited to a business taking occupancy in a foreign investment zone developed under Article 18 of the Act for the purpose of leasing or selling to foreign-capital invested companies which produce components or materials defined under subparagraph 1 of Article 2 of the same Act among businesses provided for in paragraph (6) 1 (c);
 - (iii) A business with at least 200 regular workers, of the businesses provided for in paragraph (6) 1 (d);
 - (b) 90/100 of rental charges for the relevant land, etc. in the case of a business with at least 150 but no more than 200 regular workers, of the businesses provided for in paragraph (6) 1 (d);
 - (c) 75/100 of rental charges for the relevant land, etc. in the case of the following businesses:
 - (i) A business provided for in paragraph (6) 1 (c) (excluding businesses eligible for reduction of, or exemption from, rental charges under (a) (ii) above);
 - (ii) A business with at least 70 but no more than 150 regular workers, of the businesses provided for in paragraph (6) 1 (d);
 - (iii) A business provided for in paragraph (6) 2;
 - (d) 50/100 of rental charges for the relevant land, etc. in the case of a business run by a foreign-capital invested company in a foreign investment zone designated under Article 18 (1) 3 or 4 of the Act among the businesses provided for in paragraph (6) 1 (a);
2. For land, etc. referred to in Article 13 (7) 2 and 3 of the Act: 50/100 of rental charges for the relevant land, etc.
 - (8) The reduction or exemption rate of rental charges for State-owned land, etc. under Article 13 (8) of the Act shall be determined by the head of the central government agency having the jurisdiction of the relevant State property within 100/100. <Amended by Presidential Decree No. 22815, Apr. 1, 2011; Presidential Decree No. 24585, Jun. 11, 2013>
 - (9) A foreign-capital invested company or an operator of establishments built to improve a foreign-investment environment (referred to as "foreign-capital invested company, etc." hereafter in this Article) that intends to obtain a rental charge reduction or exemption for State-owned land, etc. pursuant to Article 13 (7) or (8) of the Act shall file an application for reduction or exemption with the head of the central government having the

jurisdiction of such State-owned land, etc. <Amended by Presidential Decree No. 22815, Apr. 1, 2011; Presidential Decree No. 24585, Jun. 11, 2013>

- (10) A foreign-capital invested company, etc. that intends to obtain a rental charge reduction or exemption for land, etc. owned by a local government pursuant to Article 13 (9) of the Act shall file an application for reduction or exemption with the head of the relevant local government. <Amended by Presidential Decree No. 24585, Jun. 11, 2013>
- (11) A foreign-capital invested company, etc. that intends to obtain a rental charge reduction or exemption for land, etc. owned by a local government pursuant to Article 13 (9) of the Act shall meet both of the following requirements: <Newly Inserted by Presidential Decree No. 27406, Jul. 28, 2016>
1. When the foreign-capital invested company, etc. falls under the main sentence of Article 13 (2) of the Act: it shall meet the minimum foreign investment ratio referred to in paragraph (1) during the lease term: Provided, That it shall maintain the foreign investment ratio at 10/100 or higher when domestic capital increases without any decrease of the amount of foreign investment after concluding a contract;
 2. When the foreign-capital invested company, etc. falls under the proviso to Article 13 (2) of the Act: it shall maintain the foreign investment ratio at 10/100 or higher.
- (12) Except as otherwise expressly provided for in paragraphs (10) and (11), specific matters, such as the types of businesses eligible for rental charge reductions or exemptions for land, etc. owned by a local government, the reduction or exemption rate of rental charges, shall be determined by municipal ordinance of a local government, taking into account the economic effects of the relevant foreign investment, such as the creation of employment, the transfer of technology, and the effect on the financial independence of the relevant local government. <Amended by Presidential Decree No. 24585, Jun. 11, 2013; Presidential Decree No. 27406, Jul. 28, 2016>
- (13) Upon receipt of an application for a rental charge reduction or exemption for land, etc. owned by the State or a local government filed under paragraph (9) or (10), the head of the central government or the head of the local government having the jurisdiction of such State-owned property shall determine whether or not to grant a rental charge reduction or exemption to the relevant applicant after reviewing whether the application meets the requirements for reduction or exemption prescribed in paragraphs (6) through (8) and (11), and verify if the relevant foreign-capital invested company remains in compliance with the requirements for reduction or exemption at least once annually. <Newly Inserted by Presidential Decree No. 27406, Jul. 28, 2016>
- (14) Except as otherwise expressly provided for in the Act or this Decree, the sale or lease of land, etc. owned by the State or a local government under Article 13 of the Act shall be governed by the State Property Act and the Public Property and Commodity Management Act.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]
Article 20 (Criteria for Support to Local Governments, etc.)

- (1) The criteria for financial support to be provided by the State to a local government in

accordance with Article 14 (1) of the Act shall be determined by the Foreign Investment Committee after taking a comprehensive account of the potential economic effects that will be brought about by the foreign investment concerned, such as the creation of employment and the transfer of technology, and the region which the relevant foreign-capital invested company will move into.

(2)The head of a central administrative agency who has received a request for financial support by a local government shall render support as requested in accordance with the criteria for financial support as determined by the Foreign Investment Committee.

(3)"Any person prescribed by Presidential Decree" in Article 14 (1) of the Act means an operator of an industrial complex development project under Article 16 (1) of the Industrial Sites and Development Act.

(4)"Employment subsidy, etc. as determined by Presidential Decree" in Article 14 (4) of the Act means the following:

- 1.Employment subsidy that is paid according to the creation scale of new employment of a foreign-capital invested company;
- 2.Land price and construction costs necessary for newly building or extending a foreigners' school under Article 60-2 of the Elementary and Secondary Education Act.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]
Article 20-2 (Uses, etc. of Cash Grants for Foreign Investment)

(1)"Uses prescribed by Presidential Decree, including the construction of new factories" in the main sentence of Article 14-2 (1) of the Act means any of the following uses:

<Amended by Presidential Decree No. 22426, Oct. 5, 2010>

- 1.Purchase costs of, or rental charges for, land or buildings for establishing a factory facility or research facility;
- 2.Building costs of a factory facility or research facility;
- 3.Purchase costs of capital goods, research equipment and materials to be used for projects or research at a factory facility or research facility;
- 4.Installation costs of infrastructure, such as electricity and communications facilities necessary for establishing a factory facility or research facility;
- 5.Employment subsidies or education and training subsidies.

(2)"Components and materials prescribed by Presidential Decree" in Article 14-2 (1) 2 of the Act means components and materials as defined in Article 2 of the Enforcement Decree of the Act on Special Measures for the Promotion of Specialized Enterprises, etc. for Materials and Components. <Amended by Presidential Decree No. 25655, Oct. 15, 2014; Presidential Decree No. 26205, Apr. 20, 2015>

(3)The number of regular workers referred to in Article 14-2 (1) 3 of the Act shall be as specified in attached Table 2.

(4)"Standards prescribed by Presidential Decree" in Article 14-2 (1) 5 of the Act mean that a foreign investor falls under either of the following cases: <Amended by Presidential Decree No. 25249, Mar. 11, 2014; Presidential Decree No. 25655, Oct. 15, 2014>

- 1.Where the foreign investor, in its capacity as a domestic corporation that serves as a

support and control tower for at least two foreign corporations in terms of their production, sales, distribution, personnel affairs, and other core corporate functions, establishes a local headquarters in the Republic of Korea that meets the criteria and procedure requirements prescribed by Ordinance of the Ministry of Trade, Industry and Energy on regular workers, holding company, etc.;

2. Where the foreign investor engages in a region-specific industry as defined in subparagraph 4 of Article 2 of the Special Act on Balanced National Development or an economic cooperation area industry as defined in subparagraph 5 of the same Article, and such industry is deemed to contribute to developing the regional economy.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 20-3 (Applications for, and Payment of, Cash Grants for Foreign Investment)

(1) A foreigner who intends to obtain a cash grant from the State pursuant to Article 14-2 (1) of the Act shall file an application for cash grant in the form prescribed by Ordinance of the Ministry of Trade, Industry and Energy, which shall be accompanied by an investment plan that includes the following matters, with the Minister of Trade, Industry and Energy: <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

1. Total amount of investment and details thereof;

2. Scale of employment;

3. Effects of technological diffusion;

4. Level of contribution to the local economy;

5. Other matters determined by the Minister of Trade, Industry and Energy.

(2) Upon receipt of an application filed under paragraph (1), the Minister of Trade, Industry and Energy shall evaluate the investment plan and consult with the Minister of Strategy and Finance on whether to award a cash grant, the grant amount, etc. after negotiating with the relevant foreigner. <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 26803, Dec. 30, 2015>

(3) The Minister of Trade, Industry and Energy may pay a cash grant in lump sum within one year from the date on which a decision to award the cash grant is made, or in up to ten installments within five years from the date of such decision. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

(4) Where the Minister of Trade, Industry and Energy pays a cash grant in installments under paragraph (3), he/she may adjust the amount and timing for the cash grant paid in installments, taking into account any modification to the investment plan and the outcomes of executing the cash grant paid in installments. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

(5) Except as otherwise expressly provided for in paragraphs (1) through (4), matters necessary for providing cash grants and other matters shall be determined by the Minister of Trade, Industry and Energy following deliberation by the Foreign Investment Committee. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 21 (Administration of Foreign Investment Support Center, etc.)

- (1)Public officials or executives or employees of a foreign investment-related agency who have been dispatched to the Foreign Investment Support Center (hereinafter referred to as the "Investment Support Center") under Article 15 (2) of the Act (hereinafter referred to as "dispatched officers") shall be subject to direction and supervision by the president of the Korea Trade-Investment Promotion Agency with respect to their services. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (2)The president of the Korea Trade-Investment Promotion Agency shall prepare a written opinion on performance evaluation of the public officials dispatched under paragraph (1) in accordance with Article 17 (3) of the Regulations on Performance Evaluation, etc. of Public Officials or Article 31-3 (3) of the Decree on the Appointment of Local Public Officials, and forward the written opinion to the heads of the relevant administrative agencies to which such public officials belong, and the heads of the relevant administrative agencies in receipt of such written opinions shall take them into consideration when evaluating the performance of the relevant public officials. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (3)In order to efficiently perform foreign investment supporting affairs, the president of the Korea Trade-Investment Promotion Agency may operate a general administrative support center that mainly consist of dispatched officers and teams exclusively responsible for foreign investment inducement that mainly consist of officers and employees of the Korea Trade-Investment Promotion Agency, and may require the dispatched officers to concurrently perform the duties of the staff in exclusive charge of complaint settlement pursuant to Article 21-4 (5). <Amended by Presidential Decree No. 21657, Jul. 30, 2009; Presidential Decree No. 22426, Oct. 5, 2010>
- (4)The president of the Korea Trade-Investment Promotion Agency shall prepare an annual comprehensive plan for foreign investment inducement and submit it to the Minister of Trade, Industry and Energy by January 31 each year, and shall analyze quarterly foreign investment achievements and report the results thereof to the Minister of Trade, Industry and Energy within one month after the expiration of each quarter. <Amended by Presidential Decree No. 21657, Jul. 30, 2009; Presidential Decree No. 24442, Mar. 23, 2013>
- (5)through (7) Deleted. <by Presidential Decree No. 16583, Oct. 27, 1999>
- (8)Except as otherwise expressly provided for in paragraphs (1) through (4), matters necessary for the organization and operation of the Investment Support Center shall be determined by the president of the Korea Trade Investment Promotion Agency following deliberation by the Foreign Investment Committee. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>

Article 21-2 (Designation, Duties, etc. of Project Managers)

- (1)The president of the Korea Trade-Investment Promotion Agency may designate any of the following persons as a project manager for each foreign investor or each foreign-capital invested company in order to render efficient support to investment affairs of a foreign investor or foreign-capital invested company. In such cases, the president of the Korea

Trade-Investment Promotion Agency shall notify the relevant foreign investor or foreign-capital invested company of the designated project manager:

1. Employees of the Korea Trade-Investment Promotion Agency;
 2. Dispatched officers;
 3. Public officials or employees of a central administrative agency, local government, and public institution provided for in the Act on the Management of Public Institutions (hereinafter referred to as "public institution") related to foreign investment. In such cases, he/she shall obtain approval from the head of the relevant agency, government or institution.
- (2) The president of the Korea Trade-Investment Promotion Agency may notify the central administrative agency, local governments and public institutions in charge of foreign investment-related affairs (referred to as "related administrative agencies, etc." hereafter in this Article) of the project manager designated for each foreign investor or foreign-capital invested company under paragraph (1) (hereinafter referred to as "project manager").
- (3) The related administrative agencies, etc. upon receipt of the notification under paragraph (2) shall positively cooperate therewith when a project manager requests cooperation with respect to the provision of materials and handing of civil affairs related to a foreign investment.
- (4) A project manager shall perform the following duties:
1. Collection and provision of data or information and arranging interviews at the request of a foreign investor or foreign-capital invested company;
 2. Presentation of opinions regarding support related to foreign investments under Articles 9, 13, 14 and 14-2 of the Act;
 3. Assistance in the affairs and vicarious execution of civil affairs related to foreign investments under Articles 15 and 17 of the Act;
 4. Assistance in resettlement of the officers, employees and their families of a foreign investor or foreign-capital invested company, such as housing rental and guidance for school admission;
 5. Other affairs related to foreign investments.
- (5) The president of the Korea Trade-Investment Promotion Agency may constitute and operate a consultative council for support purposes with foreign investors, related administrative agencies, etc., if necessary to ensure that project managers efficiently perform their duties specified in paragraph (4). <Newly Inserted by Presidential Decree No. 26803, Dec. 30, 2015>
- (6) The president of the Korea Trade-Investment Promotion Agency shall provide project managers with opportunities for education necessary to improve their quality and expertise.
- (7) The president of the Korea Trade-Investment Promotion Agency may accord preferential treatment to project managers in relation to promotion, transfer and reward.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 21-3 (Functions of Foreign Investment Ombudsmen, etc.)

- (1)The term of office of a foreign investment ombudsman commissioned under Article 15-2 (1) of the Act (hereinafter referred to as "foreign investment ombudsman") shall be three years. <Amended by Presidential Decree No. 22426, Oct. 5, 2010>
- (2)A foreign investment ombudsman shall perform the following duties: <Amended by Presidential Decree No. 22426, Oct. 5, 2010>
 - 1.Investigation and handling of complaints of foreign investors and foreign-capital invested companies;
 - 2.Preparation of policy measures for improving a foreign investment system and recommendation on the implementation thereof to the relevant administrative agencies and public agencies;
 - 3.Other necessary matters for handling complaints of foreign investors and foreign-capital invested companies.
- (3)"Standards prescribed by Presidential Decree" in Article 15-2 (3) 1 of the Act means any of the following: <Amended by Presidential Decree No. 22426, Oct. 5, 2010>
 - 1.Where it is necessary for investigating whether a foreign investment-related system complies with international practices or standards;
 - 2.Where it is necessary for tackling difficulties experienced by foreign-capital invested companies in their management or improving the related systems;
 - 3.Where it is necessary for improving the living conditions of foreign investors and foreigners working for foreign-capital invested companies.
- (4)A recommendation for corrective measures under Article 15-2 (4) of the Act (hereafter referred to as "recommendation for corrective measures" in this Article) shall be made in a document specifying the following matters: <Newly Inserted by Presidential Decree No. 22426, Oct. 5, 2010>
 - 1.Current status and problems of related statutes, institutions and policies;
 - 2.Details of recommendation for corrective measures;
 - 3.Matters recognized by foreign investment ombudsmen as being necessary, such as the reply deadline for related administrative agencies and public agencies.
- (5)"Period prescribed by Presidential Decree" in Article 15-2 (5) of the Act means 30 days after receipt of a recommendation to take corrective measures from a foreign investment ombudsman pursuant to Article 15-2 (4) of the Act. <Newly Inserted by Presidential Decree No. 24585, Jun. 11, 2013>
- (6)A foreign investment ombudsman may verify and inspect the performance of the details of recommendations for corrective measures. <Newly Inserted by Presidential Decree No. 22426, Oct. 5, 2010>
- (7)A foreign investment ombudsman shall prepare an annual report including the following matters pursuant to Article 15-2 (7) of the Act and submit it to the Foreign Investment Committee by the end of February of the following year: <Newly Inserted by Presidential Decree No. 24585, Jun. 11, 2013>
 - 1.Current status of the regulations and systems raised as grievances by foreign investors

and foreign-capital invested companies;

2. Results of improvement of the regulations and systems by the foreign investment ombudsman in the previous year;

3. Other matters concerning supportive activities to tackle grievances of foreign investors and foreign-capital invested companies.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 21-4 (Operation, etc. of Grievance Committee)

(1) Deleted. <by Presidential Decree No. 17135, Feb. 24, 2001>

(2) A foreign investment ombudsman shall be the head of the grievance committee established under Article 15-2 (10) of the Act (hereinafter referred to as "grievance committee"). <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 24585, Jun. 11, 2013>

(3) The head of the grievance committee may request cooperation from a relevant administrative agency or a foreign-investment related agency to settle complaints of foreign investors and foreign-capital invested companies. In such cases, the agency upon receipt of a request for cooperation shall present the results of resolving complaints or its opinion on such matters within seven days after receipt of the request. <Amended by Presidential Decree No. 21657, Jul. 30, 2009; Presidential Decree No. 22426, Oct. 5, 2010>

(4) Deleted. <by Presidential Decree No. 17474, Dec. 31, 2001>

(5) In order to efficiently settle the complaints of foreign investors and foreign-capital invested companies, the head of the grievance committee may designate the staff in exclusive charge of settling complaints for each region or foreign-capital invested company, and may administer such staff. <Amended by Presidential Decree No. 22426, Oct. 5, 2010>

(6) Where an employee belonging to the grievance committee hears opinions or visits a site under Article 15-2 (3) of the Act to support the duties of foreign investment ombudsmen, he/she shall carry a certificate of identification indicating his/her authority and produce it to interested persons. <Newly Inserted by Presidential Decree No. 22426, Oct. 5, 2010>

(7) The head of the grievance committee shall analyze the results of settling complaints raised by foreign-capital invested companies on a quarterly basis and report them to the Minister of Trade, Industry and Energy within one month after expiration of each quarter. <Amended by Presidential Decree No. 21657, Jul. 30, 2009; Presidential Decree No. 24442, Mar. 23, 2013>

(8) Except as otherwise expressly provided for in paragraphs (2), (3), (5), (6) and (7), matters necessary for the organization and operation of the grievance committee shall be determined by the president of the Korea Trade-Investment Promotion Agency following deliberation by the Foreign Investment Committee. <Amended by Presidential Decree No. 21657, Jul. 30, 2009; Presidential Decree No. 22426, Oct. 5, 2010>

[This Article Newly Inserted by Presidential Decree No. 16583, Oct. 27, 1999]

Article 22 (Responsibilities, etc. of Foreign Investment Promotion Offices)

(1) A foreign investment promotion office under Article 16 of the Act shall carry out the following:

1. Encouragement and verification of the proper treatment of civil petitions transmitted in accordance with Article 17 (3) of the Act;
2. The discharge of civil petition duties on behalf of others, such as preparation and submission of civil petition documents concerning foreign investment;
3. Inducement of, advertisement on, and support for foreign investment;
4. Receipt, examination, and resolution of difficulties suffered or propositions expressed by foreign investors or foreign-capital invested companies;
5. Exchange of information, communication for business purposes, and administrative cooperation with the Investment Support Center, the trade centers, branches and offices of the Korea Trade-Investment Promotion Agency, and other agencies related to the inducement of foreign investment;
6. Examination of the legitimacy of reasons for refusal to grant permission as notified in accordance with the latter part of Article 17 (5) of the Act;
7. Operation of the Foreign Investment Inducement Council as prescribed in Article 23;
8. Other kinds of administrative support concerning foreign investment.

(2) Every foreign investment promotion official shall, upon receipt of a request from the head of a grievance committee to submit the current status of the receipt, examination and resolution of difficulties prescribed in paragraph (1) 4, cooperate with the head of the grievance committee by submitting it within ten days after the end of every quarter.

<Amended by Presidential Decree No. 22426, Oct. 5, 2010>

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 23 (Foreign Investment Inducement Council)

(1) In order to deliberate on the following matters, the Foreign Investment Inducement Council (hereinafter referred to as the "Council") may be established at the Special Metropolitan City, any Metropolitan City, Metropolitan Autonomous City, Do, and Special Self-Governing Province (hereinafter referred to as "City/Do"): <Amended by Presidential Decree No. 25655, Oct. 15, 2014>

1. A plan to induce, publicize and support foreign investments;
2. Consultation for settling grievances of foreign investors or foreign-capital invested companies;
3. Matters concerning consultation for proper handling of civil petitions as prescribed in Article 17 of the Act;
4. Other matters deemed necessary by the Mayor/Do Governor for inducing foreign investments.

(2) The Chairperson of the Council shall be a public official at the level of at least director among those who belong to the City/Do, and its members shall be the following persons:

1. Persons appointed by the Mayor/Do Governor from among the subordinate public officials;
2. From among the public officials or other employees of the competent Si/Gun/Gu (referring to the autonomous Gu; hereinafter the same shall apply) or special local administrative agency or of agencies related to the handling of civil petitions as prescribed in the

attached Tables 1 and 2 of the Act, persons designated by the head of the relevant Si/Gun/Gu, special local administrative agency, or agency, upon the request of the Mayor/Do Governor;

3. From among the heads of the trade centers, branches, and offices of the Korea Trade-Investment Promotion Agency, the persons designated by the head of the Investment Support Center at the request of the Mayor/Do Governor;
 4. Persons commissioned by the Mayor/Do Governor from among persons with extensive experience and knowledge in the field of foreign investment.
- (3) In designating or commissioning members of the Council prescribed in paragraph (2), members who can participate in all the meetings of the Council and members who, according to the decision of the Chairperson of the Council, can participate in those meetings only at which matters relevant to the members concerned are discussed may be divided in the process of the designation or commission.
- (4) The resolution of a meeting of the Council shall require the presence of a majority of members who can participate in such meeting pursuant to paragraph (3) and the consent of a majority of members present.
- (5) Except as otherwise expressly provided for in paragraphs (1) through (4), matters necessary for the operation of the Council shall be determined by the Mayor/Do Governor through the resolution of the Council.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 24 (Handling of Civil Petitions, etc. by Foreign Investors, etc.)

- (1) The scope of civil petitions to be handled directly, and the handling period, as prescribed in Article 17 (2) and (5) of the Act, shall be as specified in attached Table 3. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (2) The handling period for civil petitions to be handled in bulk and civil petitions to be individually handled as prescribed in Article 17 (5) of the Act shall be as follows:
<Amended by Presidential Decree No. 21657, Jul. 30, 2009>
1. For civil petitions to be handled in bulk: the period specified in attached Table 4: Provided, That where civil petitions concerning permission, etc. on the right column of attached Table 1 of the Act are individually received, the handling period under the relevant statutes;
 2. For the civil petitions to be handled individually: the handling period under the relevant statutes.
 - (3) Where the head of a civil petitions handling agency, having received civil petitions to be handled in bulk, has requested consultation with the head of a relevant agency in accordance with Article 17 (4) of the Act, the head of the relevant agency shall submit his/her opinions to the head of the civil petitions handling agency by the day preceding the date on which such handling period as specified in attached Table 4 expires (where the handling period as specified in attached Table 4 exceeds seven days, by two days before the last day of the handling period). <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
 - (4)

The record date for calculating the handling period under paragraphs (1) and (2) shall be the day of the receipt of the civil petition concerned by the head of the civil petitions handling agency or the dispatched officer concerned. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>

- (5)"Permission, etc. as prescribed by Presidential Decree" in subparagraph 13 of attached Table 2 of the Act means such business matters of civil petitions as specified in attached Table 5. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (6)Where the head of a civil petitions handling agency or a dispatched officer makes notification of his/her refusal to grant permission in accordance with the latter part of Article 17 (5) of the Act, he/she shall explicitly indicate the reasons and the legal foundations for the refusal. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (7)"Period prescribed by Presidential Decree" in the forepart of Article 17 (7) of the Act means three days. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (8)Where the head of a civil petitions handling agency grants permission with conditions attached in accordance with Article 17 (10) of the Act, he/she shall attach a condition that insufficient points be supplemented by the time as prescribed by one of the following subparagraphs: <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- 1.For permission. etc. prescribed in subparagraph 1 or 2 of attached Table 1 of the Act: the time of the application for construction permission (where construction permission is considered to have been granted, the time of the report on the commencement of construction);
 - 2.For permission. etc. prescribed in subparagraph 3 of attached Table 1 of the Act: the time of the report on the commencement of construction;
 - 3.For permission. etc. prescribed in subparagraph 4 of attached Table 1 of the Act: the time of the report on the commencement of operations;
 - 4.For permission. etc. prescribed in subparagraph 5 of attached Table 1 of the Act: the time of the registration into the building ledger.
- (9)Where the person who receives permission, etc. with conditions attached in accordance with Article 17 (10) of the Act files an application for permission, etc. under any of subparagraphs of paragraph (8), he/she shall submit to the head of the civil petitions handling agency a written confirmation that he/she has fully implemented the aforementioned conditions. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (10)Deleted. <by Presidential Decree No. 18222, Jan. 13, 2004>
- (11)Where a reasonable and objective ground is deemed to exist for not being able to properly handle civil petitions within the handling period prescribed in paragraph (1) or (2), the head of a civil petitions handling agency may extend the handling period only once. In such cases, the head of the civil petitions handling agency concerned shall determine an additional period to be extended by estimating the necessary time for the proper handling, and notify the applicant for the permission, etc. concerned (where the application for permission has been filed vicariously by the Investment Support Center, the head of the Investment Support Center) of the extended handling period and the

reasons for the extension of the handling period, and where the head of the Investment Support Center has received the notification, he/she shall, without delay, notify the original applicant for the permission, etc. concerned of the details of said notification.

<Amended by Presidential Decree No. 21657, Jul. 30, 2009>

(12) Where supplement or correction is deemed to be necessary with respect to the contents of the application for the handling of civil petitions to be handled in bulk, civil petitions to be individually handled, or civil petitions to be directly handled as prescribed in Article 17 of the Act, the head of a civil petitions handling agency or a dispatched officer may determine the period for the supplementation or correction and request the person concerned to supplement or correct them within such period. In such cases, the period consumed for such supplementation or correction shall not be included in the handling period as prescribed in paragraphs (1) and (2). <Amended by Presidential Decree No. 21657, Jul. 30, 2009>

(13) Except as otherwise provided for in the Act or this Decree, the handling of civil petitions which are concerned with foreign investment shall be governed by the Civil Petitions Treatment Act. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>

CHAPTER IV FOREIGN INVESTMENT ZONES

Article 25 (Designation, etc. of Foreign Investment Zones)

(1) "Foreign investment meeting the standards prescribed by Presidential Decree" in Article 18 (1) 2 of the Act means any of the following foreign investments. In such cases, an amount of money equivalent to the holding ratio calculated by the methods provided for in Article 116-2 (11) and (12) of the Enforcement Decree of the Restriction of Special Taxation Act shall be disregarded for the purpose of computing the amount of foreign investment in cases of a foreign corporation, the stocks or equity shares of which, are directly or indirectly owned by a national of the Republic of Korea (excluding persons falling under Article 3) or a Korean corporation: <Amended by Presidential Decree No. 21719, Sep. 9, 2009; Presidential Decree No. 21882, Dec. 14, 2009; Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 24585, Jun. 11, 2013; Presidential Decree No. 25655, Oct. 15, 2014; Presidential Decree No. 27406, Jul. 28, 2016; Presidential Decree No. 27972, Mar. 29, 2017>

1. Where the amount of foreign investment is at least 30 million U.S. dollars and new factory facilities (referring to a workplace for any business other than the manufacturing business) are established to engage in any of the following businesses:

(a) Manufacturing business;

(b) Businesses described in Article 116-2 (1) of the Enforcement Decree of the Restriction of Special Taxation Act (in cases of an industry-supporting service business, referring only to businesses that fall under an industry determined and publicly notified by the Minister of Trade, Industry and Energy);

(c) Computer programming business, system integration and management business in the knowledge service industry, and data processing business, hosting, and related service-providing business in the information service industry under the Korean Standard Industrial Classification;

2. Where the amount of foreign investment is at least 20 million U.S. dollars and new facilities are established engage in any of the following businesses:
 - (a) Resort condominium business as prescribed in Article 3 (1) 2 (b) of the Tourism Promotion Act;
 - (b) Any of the following tourist businesses:
 - (i) Tourist hotel business, floating tourist hotel business, or Korean traditional hotel business defined under Article 2 (1) 2 (a) through (c) of the Enforcement Decree of the Tourism Promotion Act;
 - (ii) Specialized resort business or general resort complex business defined under Article 2 (1) 3 (a) or (b) of the Enforcement Decree of the Tourism Promotion Act;
 - (iii) General amusement complex business defined under Article 2 (1) 5 (a) of the Enforcement Decree of the Tourism Promotion Act;
 - (c) Deleted; <by Presidential Decree No. 27406, Jul. 28, 2016>
 - (d) International conference facilities defined under subparagraph 3 of Article 2 of the International Conference Industry Promotion Act;
 - (e) Industry-supporting service business prescribed in Article 116-2 (1) of the Enforcement Decree of the Restriction of Special Taxation Act (excluding businesses that fall under an industry determined and publicly notified by the Minister of Trade, Industry and Energy pursuant to subparagraph 1 (a));
 - (f) Youth training facilities prescribed in subparagraph 1 of Article 10 of the Juvenile Activity Promotion Act;
3. Where the amount of foreign investment is at least ten million U.S. dollars and new facilities are established engage in any of the following businesses:
 - (a) Complex logistics terminal business defined under subparagraph 4 of Article 2 of the Act on the Development and Management of Logistics Facilities;
 - (b) Business creating and operating a joint collection and delivery complex defined under subparagraph 16 of Article 2 of the Distribution Industry Development Act;
 - (c) Business operating harbor facilities defined under subparagraph 5 of Article 2 of the Harbor Act, and cargo distribution business prescribed in Article 5 (8) of the Enforcement Decree of the Restriction of Special Taxation Act which is run within a harbor hinterland complex defined under subparagraph 7 of Article 2 of the Harbor Act;
 - (d) Business operating airport facilities defined under subparagraph 7 of Article 2 of the Airport Facilities Act, and cargo distribution business prescribed in Article 5 (8) of the Enforcement Decree of the Restriction of Special Taxation Act that is run within an airport zone defined under subparagraph 4 of Article 2 of the Airport Facilities Act;
 - (e) Business creating infrastructure (limited to revertible facilities defined under subparagraph 3 of Article 2 of the Act on Public-Private Partnerships in Infrastructure) by implementing a public-private partnership project defined under subparagraph 5 of Article 2 of the same Act;
4. Where the amount of foreign investment is at least 20 million U.S. dollars and a facility that meets each of the following is established or added, among research and

development facilities that meets the criteria and procedure requirements prescribed by Ordinance of the Ministry of Trade, Industry and Energy in terms of the amount of facility investment, personnel in exclusive charge of research, etc.:

- (a) It shall be a research and development facility to engage in industry-supporting service business or business accompanying high technology under Article 116-2 (1) of the Enforcement Decree of the Restriction of Special Taxation Act (referred to as "business" hereafter in this subparagraph);
 - (b) Deleted; <by Presidential Decree No. 27406, Jul. 28, 2016>
 - (c) The number of regular workers in exclusive charge of research with at least a master's degree related to the business and at least three years' research career shall be at least ten persons.
- (2) "Areas prescribed by Presidential Decree, such as special research and development zones under subparagraph 1 of Article 2 of the Special Act on Promotion of Special Research and Development Zones" in Article 18 (1) 3 of the Act means any of the following areas:
<Newly Inserted by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 23993, Jul. 26, 2012>
- 1. A special research and development zone defined under subparagraph 1 of Article 2 of the Special Act on Promotion of Special Research and Development Zones, etc.;
 - 2. A Technopark defined under subparagraph 1 of Article 2 of the Act on Special Cases concerning Support for Technoparks;
 - 3. A knowledge industry center defined under subparagraph 13 of Article 2 of the Industrial Cluster Development and Factory Establishment Act;
 - 4. A high-tech medical complex defined under subparagraph 1 of Article 2 of the Special Act on the Designation and Support of High-Tech Medical Complexes.
- (3) "Service business prescribed by Presidential Decree" in the forepart of Article 18 (1) 4 of the Act means the following service businesses: <Newly Inserted by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 24585, Jun. 11, 2013; Presidential Decree No. 27406, Jul. 28, 2016>
- 1. Finance and insurance business under the Korea Standard Industrial Classification;
 - 2. Knowledge service business defined under attached Table 2 of the Enforcement Decree of the Industrial Development Act;
 - 3. Industry-supporting service business prescribed in Article 116-2 (1) of the Enforcement Decree of the Restriction of Special Taxation Act;
 - 4. Cultural industries defined under subparagraph 1 of Article 2 of the Framework Act on the Promotion of Cultural Industries;
 - 5. Tourism business defined under subparagraph 1 of Article 2 of the Tourism Promotion Act (excluding casino business classified under Article 3 (1) 5 of the same Act).
- (4) "Percentage prescribed by Presidential Decree" in the latter part of Article 18 (1) 4 of the Act means 50/100. <Amended by Presidential Decree No. 22426, Oct. 5, 2010>
- (5) "Standards prescribed by Presidential Decree" in Article 18 (2) of the Act means all of the following matters: <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential

Decree No. 23297, Nov. 16, 2011; Presidential Decree No. 26803, Dec. 30, 2015;
Presidential Decree No. 27406, Jul. 28, 2016>

1. The total amount of money invested by two or more foreign investors shall be no less than the amount of foreign investment prescribed for each type of business in the subparagraphs of paragraph (1) (in the case of subparagraph 4, it means a facility; hereinafter the same shall apply);
2. The category of business or business being engaged in shall correspond to the category of business or business referred to in any subparagraph of paragraph (1);
3. The facilities referred to in the subparagraphs of paragraph (1) shall be placed adjacent to each another.

(6) "Matters prescribed by Presidential Decree" in Article 18 (3) 6 of the Act means matters classified below: <Newly Inserted by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 24442, Mar. 23, 2013>

1. The following matters when designating any area referred to in Article 18 (1) 1 or 3 of the Act as a foreign investment zone:
 - (a) The implementer and the managing institution of the development project;
 - (b) A land utilization plan and a plan for major infrastructure;
 - (c) Other matters determined by the Foreign Investment Committee based on the characteristics of each region;
2. The following matters when designating any area referred to in Article 18 (1) 2 of the Act as a foreign investment zone: Provided, That the matters referred to in items (f) through (i) may be omitted when designating the whole or any part of a national industrial complex, general industrial complex, or urban high-tech industrial complex, the development of which has already been completed, as a foreign investment zone:
 - (a) Details of investment, scale of employment, and details of business of foreign-capital invested companies to take occupancy in the foreign investment zone;
 - (b) Viability of foreign investment to be induced;
 - (c) Funding plans;
 - (d) Plans for supporting major facilities in the foreign investment zone;
 - (e) Managing institution;
 - (f) The implementer of the development project;
 - (g) A land utilization plan and a plan for major infrastructure;
 - (h) Specified details of land, buildings, other articles or, if any, rights to be expropriated or used;
 - (i) Deleted; <by Presidential Decree No. 27406, Jul. 28, 2016>
 - (j) Other matters prescribed by the Foreign Investment Committee;
3. The following matters when designating any area referred to in Article 18 (1) 4 of the Act as a foreign investment zone:
 - (a) Matters provided for in subparagraph 2 (c) through (h);
 - (b) Measures to stabilize real estate prices in the foreign investment zone and adjacent areas;
 - (c) Measures to prevent overpopulation (limited to where the foreign investment zone is

located in the over-concentration control region designated under Article 6 (1) 1 of the Seoul Metropolitan Area Readjustment Planning Act);

(d) Other matters prescribed by the Foreign Investment Committee.

(7) When formulating a development plan pursuant to the latter part of Article 18 (1) of the Act, the development plan and a designation plan referred to in Article 18 (3) of the Act (hereinafter referred to as "designation plan") shall be also formulated, by including the matters referred to in the subparagraphs of Article 18 (3) of the Act and the items of paragraph (6) 2 of this Decree into such development plan. <Newly Inserted by Presidential Decree No. 22426, Oct. 5, 2010>

(8) A Mayor/Do Governor who intends to formulate a designation plan shall hear opinions from the head of the relevant Si/Gun/Gu, residents, and relevant experts. <Amended by Presidential Decree No. 22426, Oct. 5, 2010>

(9) The Foreign Investment Committee shall deliberate on whether to designate the relevant area as a foreign investment zone, comprehensively considering effects on the national economy, such as the feasibility of the foreign investment to be induced, balanced regional development, efficient utilization of the national territory, and employment growth based on the relevant designation plan.

(10) Where the designation is deemed unnecessary after deliberation under paragraph (9), a Mayor/Do Governor shall not designate the relevant area as a foreign investment zone. <Amended by Presidential Decree No. 22426, Oct. 5, 2010>

(11) A foreign-capital invested company shall satisfy the criteria provided for in paragraphs (1) and (5) according to the relevant designation plan within five years from the date of public notice under Article 18 (4) of the Act. <Amended by Presidential Decree No. 22426, Oct. 5, 2010>

(12) "Matters prescribed by Presidential Decree" in Article 18 (4) 5 of the Act means all of the following matters: <Amended by Presidential Decree No. 22426, Oct. 5, 2010>

1. Objectives for which a foreign investment zone is designated;
2. Period for development of a foreign investment zone;
3. Qualifications for enterprises to take occupancy and categories of business to be attracted (limited to where the area referred to in Article 18 (1) 1 of the Act has been designated as a foreign investment zone);
4. Methods for perusing relevant drawings and documents (limited to where the area referred to in Article 18 (1) 1 of the Act has been designated as a foreign investment zone).

(13) "Insignificant alterations prescribed by Presidential Decree" in the proviso to Article 18 (10) of the Act means any of the following alterations: <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 24585, Jun. 11, 2013>

1. An alteration to the area of a foreign investment zone (limited to an alteration by up to 30/100);
2. An increase, or a decrease by up to 30/100, in the amount of foreign investment (limited to where the requirements for designation of foreign investment zones set out in Article 18 (1) of the Act are met even after such increase or decrease);

3. An alteration to the scale of employment by the relevant foreign-capital invested company;
4. An alteration to the main categories of business to be attracted (limited to where the area referred to in Article 18 (1) 1 of the Act has been designated as a foreign investment zone);
5. An alteration to the details of business of the relevant foreign-capital invested company (limited where the area referred to in Article 18 (1) 2 of the Act has been designated as a foreign investment zone);
6. Other matters determined by the Foreign Investment Committee.

(14) A Mayor/Do Governor shall seek prior consultation with the Minister of Trade, Industry and Energy on an alteration referred to in any subparagraph of Article 13. <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 24442, Mar. 23, 2013>

(15) Except as otherwise expressly provided for in paragraphs (1) through (14), matters necessary for the designation and development of foreign investment zones shall be determined by the Foreign Investment Committee. <Amended by Presidential Decree No. 22426, Oct. 5, 2010>

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]
Article 26 (Management of Foreign Investment Zones)

(1) The agency in charge of the management of foreign investment zones (hereafter referred to as "management agency" in this Article) pursuant to Article 18 (5) of the Act shall manage the foreign investment zones in accordance with the designation plan. <Amended by Presidential Decree No. 22426, Oct. 5, 2010>

(2) The management agency, which manages foreign investment zones in accordance with paragraph (1), shall preferentially take into account the convenience of foreign investors or foreign-capital invested companies and shall endeavor to render support for securing various infrastructure needed for supporting the business of the foreign-capital invested companies in the zones, such as financial institutions, information and communications facilities, and logistics facilities, as well as support for securing medical facilities, educational facilities, and housing.

(3) Except as otherwise expressly provided for in paragraphs (1) and (2), matters necessary for management of foreign investment zones shall be determined by the Foreign Investment Committee.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]
Article 26-2 (Cancellation of Designation of Foreign Investment Zones)

(1) Where a foreign-capital invested company taking occupancy in an area referred to in Article 18 (1) 2 of the Act, designated as a foreign investment zone, or an area referred to in Article 18 (1) 3 or 4 fails to meet the standards for designation provided for in Article 25, the competent Mayor/Do Governor shall take the following measures pursuant to Article 18-2 of the Act: <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

1. In cases of an area referred to in Article 18 (1) 2 of the Act: An order requiring that the relevant foreign-capital invested company meet such standards within a specified period not exceeding six months (hereinafter referred to as "implementation period"). In such

cases, such implementation period may be extended only on one occasion by up to the period originally specified where it is deemed that extenuating circumstances exist;

2. In cases of an area referred to in Article 18 (1) 3 or 4 of the Act: The relevant foreign-capital invested company shall meet such standards within a specified period not exceeding six months, after consulting with the Minister of Trade, Industry and Energy. In such cases, the competent Mayor/Do Governor may extend such implementation period only on one occasion by up to the period originally specified, after consulting with the Minister of Trade, Industry and Energy where extenuating circumstances exist.

(2) Where a foreign-capital invested company or a foreign investment zone still fails to meet the standards for designation within the implementation period specified under the subparagraphs of paragraph (1), the competent Mayor/Do Governor shall request the Foreign Investment Committee to deliberate on the cancellation of designation within 30 days. <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 27406, Jul. 28, 2016>

(3) Except as otherwise expressly provided for in paragraphs (1) and (2), matters necessary for cancellation of designation of foreign investment zones shall be determined by the Foreign Investment Committee.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

CHAPTER V FOLLOW-UP MANAGEMENT OF FOREIGN INVESTMENT

Article 27 (Procedures for Registration of Foreign-Capital Invested Companies)

(1) A foreign investor or a foreign-capital invested company shall file for registration as a foreign-capital invested company with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy, within 60 days from the occurrence of the relevant ground provided for in the subparagraphs of Article 21 (1) of the Act: Provided, That, where a foreigner who contributes to a nonprofit corporation completes his/her contribution under Article 2 (1) 4 (c) of the Act, and the nonprofit corporation fails to meet any of the standards provided for in the subparagraphs of Article 2 (6), the foreigner shall file for registration within 30 days upon meeting such standards. <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 24585, Jun. 11, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

(2) "When a foreign investor or foreign-capital invested company (~omitted~) meets requirements prescribed by Presidential Decree, such as the investment amount" in Article 21 (2) of the Act means where both of the following are met: <Amended by Presidential Decree No. 27406, Jul. 28, 2016>

1. The amount of investment referred to in the main sentence of Article 2 (2) shall be at least 100 million won;

2. A foreigner shall own at least 10/100 of either the total number of voting stocks or the total equity investment as prescribed in Article 2 (2) 1.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 28 (Cancellation of Registration of Foreign-Capital Invested Companies, etc.)

(1) Pursuant to Article 21 (4) of the Act, the Minister of Trade, Industry and Energy shall examine whether any of the grounds provided for in the subparagraphs of Article 21 (4) of

the Act has arisen at least once annually.

- (2) In order to cancel registration under Article 21 (4) of the Act, the Minister of Trade, Industry and Energy shall notify the relevant foreign-capital invested company of such cancellation or make a public announcement thereof, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy.
- (3) Upon cancelling the registration of a foreign-capital invested company under Article 21 (4) of the Act, the Minister of Trade, Industry and Energy shall inform the Commissioner of the National Tax Service, the Commissioner of the Korea Customs Service, and the head of the local government which has supported the foreign-capital invested company under Chapter III of the Act of the details of such cancellation.
- (4) "Cases meeting the criteria prescribed by Presidential Decree" in Article 21 (5) of the Act means any of the following cases:
 1. Cases falling under Article 21 (5) 1 of the Act: When the foreign investment ratio is less than 10/100;
 2. Cases falling under Article 21 (5) 2 of the Act: Any of the following cases:
 - (a) Where a company, the foreign investment ratio in which is less than 50/100 and the largest stockholder of which is not a foreign investor (including specially related persons under Article 6 (1)), acquires the stocks, etc. of a domestic company;
 - (b) Where a foreign-capital invested company (excluding a private equity fund defined under Article 9 (19) 1 of the Financial Investment Services and Capital Markets Act), which runs a finance business or insurance business and all or some of the business activities of which consists of acquisition of stocks, etc. of other companies, acquires stocks, etc. of other companies pursuant to other statutes;
 - (c) Where a foreign-capital invested company acquires no more than 10/100 of the total number of the stocks, etc. issued by, or the total equity investment of, a domestic company.

[This Article Wholly Amended by Presidential Decree No. 27406, Jul. 28, 2016]
Articles 29 and 30 Deleted. <by Presidential Decree No. 27406, Jul. 28, 2016>

CHAPTER VI (Articles 31 and 33) DELETED.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 34 (Operation of Foreign Investment Committee)

- (1) Deleted. <by Presidential Decree No. 16330, May 24, 1999>
- (2) The Chairperson of the Foreign Investment Committee shall exercise general control over the business affairs of the Committee, represent the Committee, and call and preside over meetings of the Committee. Where the Chairperson is unable to perform his/her duties for any inevitable reason, a member of the Committee designated by the Chairperson shall perform such duties on behalf of the Chairperson. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (3) The president of the Korea Trade-Investment Promotion Agency, the foreign investment ombudsmen, and the project managers may attend the meetings of the Committee and state their opinions. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>
- (4) Meetings of the Committee shall be held with the attendance of a majority of the

members who are entitled to participate in said meetings, and resolutions shall be passed with the affirmative vote of a majority of those present. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>

(5)The Committee may require relevant persons to state their opinions, if deemed necessary. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>

(6)Where the Chairperson call a meeting of the Committee, he/she shall notify each member of the Committee of the date and time, place, and purpose of the meeting by no later than three days before the beginning of such meeting: Provided, That this shall not apply in an emergency. <Amended by Presidential Decree No. 21657, Jul. 30, 2009>

(7)A secretary shall be assigned to the Committee to handle its administrative affairs, and the secretary shall be appointed by the Minister of Trade, Industry and Energy from among public officials belonging to the Ministry of Trade, Industry and Energy. <Amended by Presidential Decree No. 21657, Jul. 30, 2009; Presidential Decree No. 24442, Mar. 23, 2013>

Article 35 (Establishment, Operation, etc. of Foreign Investment Working Committee)

(1)Matters entrusted to a Foreign Investment Working Committee (hereinafter referred to as "Working Committee") by the Committee pursuant to Article 27 (3) of the Act are as follows: <Amended by Presidential Decree No. 22426, Oct. 5, 2010>

- 1.Matters regarding the recognition of foreign investment under Article 2 (1) 4 (d) of the Act;
- 2.Matters regarding the alteration of designation of a foreign investment zone under Article 18 (10) of the Act and the cancellation of designation of a foreign investment zone under Article 18-2 (1) of the Act;
- 3.Matters regarding the establishment and operation of the Investment Support Center under Article 21 (8);
- 4.Matters regarding the establishment and operation of the grievance committee under Article 21-4 (8);
- 5.Other matters deemed necessary following deliberation by the Committee.

(2)The Minister for Trade shall be the Chairperson of the Working Committee, and the following persons shall be the members thereof: <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 24585, Jun. 11, 2013; Presidential Decree No. Mar. 30, 2017>

- 1.A person designated, upon the request of the Minister of Trade, Industry and Energy, by the head of the Ministry or a relevant agency from among the public officials in general service who are members of the Senior Executive Service in the Ministry of Trade, Industry and Energy and other relevant Ministries or agencies;
- 2.A Vice-Mayor (in the case of Seoul Special Metropolitan City, referring to a person designated by the Mayor, from among public officials of Grade I in the Metropolitan Government) or Vice-Governor of a relevant City/Do and a person commissioned by the Chairperson from among those with abundant experience in and knowledge about the field of foreign investment;
- 3.The head of the Investment Support Center and the foreign investment ombudsmen.

(3)A secretary shall be assigned to the Working Committee to handle its administrative affairs, and the secretary shall be appointed by the Minister of Trade, Industry and Energy from among the public officials belonging to the Ministry of Trade, Industry and Energy. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

(4)The Committee shall establish, under the jurisdiction of the Working Committee, a Foreign Investment Inducement Subcommittee with a member of the Working Committee belonging to the Ministry of Trade, Industry and Energy as its Chairperson, for the integration and management of foreign investment inducement, the encouragement and inspection of the settlement of civil petitions concerning foreign investment, and the review of the agenda of the Working Committee concerning foreign investment inducement activities. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

(5)Except as otherwise expressly provided for in this Decree, matters necessary for the operation of the Committee, the Working Committee, and the Subcommittee shall be determined by the Chairperson of the Committee following a resolution by the Committee.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]
Article 36 (Reporting, etc. on Data on Current Status of Foreign Investment)

(1)The Governor of the Bank of Korea shall integrate the current status of the outflow and inflow of foreign investment funds each month, and shall report it to the Minister of Trade, Industry and Energy by the tenth of the following month. <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

(2)The Minister of Trade, Industry and Energy shall compile data on the current status of foreign investment and foreign-capital invested companies on a regular basis and forward such data to agencies related to foreign investment inducement. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]
Article 37 (Disposal of Capital Goods)

(1)Where the head of any customs office intends to sell capital goods pursuant to Article 28 (7) of the Act, he/she shall submit a list of the capital goods for sale to the Minister of Trade, Industry and Energy via the Commissioner of the Korea Customs Service. <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

(2)The Minister of Trade, Industry and Energy may request the head of the relevant customs office to postpone the sale of capital goods under paragraph (1) after consulting with the head of the relevant agency. In such cases, a request to the head of a customs office shall be made within 20 days of receipt of a list of the capital goods to be sold. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

(3)Where no request for postponement is made within the period prescribed in the latter part of paragraph (2), the head of the relevant customs office shall sell the relevant capital goods and report thereon to the Minister of Trade, Industry and Energy. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 38 (Examination and Confirmation of Introduced Capital Goods, etc.)

(1)"Capital goods which meet the criteria prescribed by Presidential Decree, such as capital goods introduced into Korea under this Act which are subject to tax reductions or exemptions" in Article 29 (1) of the Act means any of the following: <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

- 1.Capital goods subject to exemption from customs duties, individual consumption tax, and value-added tax pursuant to Article 121-3 (1) of the Restriction of Special Taxation Act;
- 2.Capital goods introduced into the Republic of Korea by a foreign investor as an object of investment (including contributions; the same shall apply hereafter in this Article);
- 3.Capital goods introduced into the Republic of Korea by a foreign-capital invested company with a means of foreign payment contributed by a foreign investor or a means of domestic payment obtained by the exchange of said means of foreign payment, among the goods designated and publicly notified by the Minister of Trade, Industry and Energy pursuant to Article 17 of the Enforcement Decree of the Foreign Trade Act.

(2)Any person who intends to introduce into the Republic of Korea capital goods prescribed in the subparagraphs of paragraph (1) and goods, other than the capital goods introduced for the foreign investment as defined in Article 2 (1) 4 (c) and (d) of the Act (referred to as "capital goods, etc." hereafter in this paragraph), shall prepare a written specification of the goods, etc. to be introduced, which states their quantities, standard sizes, prices and manufacturers, and apply for the examination and confirmation thereof to the competent Minister before their import declarations are accepted under Article 241 (1) of the Customs Act. <Amended by Presidential Decree No. 25655, Oct. 15, 2014>

(3)Notwithstanding paragraph (2), if either of the following events occurs, a person may apply for the examination and confirmation of a written specification of capital goods, etc. within the time frame classified below: <Newly Inserted by Presidential Decree No. 25655, Oct. 15, 2014>

- 1.Where the person pays customs duties pursuant to Article 39 (2) of the Customs Act: Within five days from the date of receipt of the relevant notice of payment;
- 2.Where the capital goods, etc. are not shipped out from the bonded area: Within 15 days from the acceptance of the relevant import declarations.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 39 (Confirmation, etc. of Completion of Investment in Kind)

- (1)Where the Commissioner of the Korea Customs Service has confirmed the completion of the investment in kind in accordance with Article 30 (3) of the Act, he/she shall, without delay, notify the Governor of the Bank of Korea.
- (2)"Technology evaluation agency prescribed by Presidential Decree" in Article 30 (4) of the Act means any evaluation agency referred to in the subparagraphs of Article 4 of the Enforcement Decree of the Act on Special Measures for Promotion of Venture Businesses.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

Article 39-2 (Prior Deliberation on Second-Tier Company's Holding Stocks of Joint Stock Corporation)

The requirements subject to prior deliberation by the Fair Trade Commission under the latter part of Article 30 (7) of the Act shall be as follows:

1. The company seeking to hold stocks of a joint stock corporation with a foreigner under Article 30 (6) of the Act shall correspond to a second-tier company (referring to a second-tier company as defined in subparagraph 1-4 of Article 2 of the Monopoly Regulation and Fair Trade Act: hereafter the same shall apply in this Article) of a general holding company as defined in Article 8-2 (2) 5 of the Monopoly Regulation and Fair Trade Act (hereafter referred to as “general holding company” in this Article);
2. The corporation that has issued shares a second-tier company of a general holding company intends to hold with a foreigner pursuant to Article 30 (6) of the Act shall correspond to a joint stock corporation as defined in Article 8-2 (1) 1 of the Monopoly Regulation and Fair Trade Act;
3. The business that a joint stock corporation under Article 30 (6) of the Act intends to carry out shall have any kind of business relevance described below with the business of a second-tier company that has control over its business contents:
 - (a) The business shall be of making or selling products or services with products or services of the second-tier company as its major production elements;
 - (b) The business shall be of providing raw materials, services, or other production elements required by the second-tier company;
 - (c) The business shall be of conducting research and development concerning raw materials or services produced by the second-tier company;
 - (d) The business shall be of making or selling products or services identical, or sharing most of the production technology, with the products or services produced by the second-tier company;
 - (e) The business shall otherwise have close relevance with the business contents of the second-tier company;
4. The business that a joint stock corporation under Article 30 (6) of the Act intends to carry out shall have more relevance with the business of a second-tier company than with the business of a subsidiary (referring to a subsidiary as defined in subparagraph 1-3 of Article 2 of the Monopoly Regulation and Fair Trade Act) of a general holding company, so that the second-tier company is qualified to become a stakeholder in the joint stock corporation;
5. If a joint stock corporation becomes a third-tier company of a general holding company pursuant to Article 30 (6) of the Act, all the stocks of the domestic affiliates (referring to affiliates as defined in subparagraph 3 of Article 2 of the Monopoly Regulation and Fair Trade Act) owned by such joint stock corporation shall be disposed of by the date preceding the date of commencement of prior deliberation by the Fair Trade Commission under the latter part of Article 30 (7) of the Act.

[This Article Newly Inserted by Presidential Decree No. 25221, Feb. 27, 2014]

Article 39-3 (Re-Examination of Regulations)

- (1) The Minister of Trade, Industry and Energy shall examine the feasibility of the

requirements subject to prior deliberation specified in Article 39-2 every three years, beginning on January 1, 2014 (meaning until the date before January 1 of every third year) and shall take measures, such as making improvements.

(2)The Minister of Trade, Industry and Energy shall examine the feasibility of the following matters every two years, counting from each base date specified below (meaning the period that ends on the day before the base date of every second year) and shall take measures, such as making improvements:

1.Deleted; <by Presidential Decree No. 27406, Jul. 28, 2016>

2.Scope of the service businesses that can be designated as a foreign investment zone under Article 25 (3): January 1, 2015;

3.Standards and procedures for cancellation of designation of foreign investment zones under Article 26-2: January 1, 2015;

4.through 8. Deleted. <by Presidential Decree No. 27406, Jul. 28, 2016>

(3)The Minister of Trade, Industry and Energy shall examine the appropriateness of the categories of businesses with restricted foreign investment and the details of restrictions under Article 5 (1) 1 every three years, counting from the base date of January 1, 2017 (referring to the period that ends on the day before January 1 of every third year), and take measures, such as making improvement. <Newly Inserted by Presidential Decree No. 27751, Dec. 30, 2016>

[This Article Wholly Amended by Presidential Decree No. 25840, Dec. 9, 2014]

Article 40 (Delegation or Entrustment of Authority)

(1)Pursuant to Article 31 of the Act, the Minister of Trade, Industry and Energy shall delegate or entrust his/her authority as classified below: <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

1.Deleted; <by Presidential Decree No. 27406, Jul. 28, 2016>

2.Authority prescribed in Article 28 (2) of the Act concerning investigations as to whether Article 21 (3) 2 of the Act has been violated shall be delegated to the Commissioner of the Korea Customs Service;

3.Authority prescribed in Article 28 (2) of the Act concerning investigations as to whether Article 21 (5) and (6) of the Act have been violated shall be delegated to the Commissioner of the National Tax Service;

4.Authority prescribed in Article 28 of the Act, other than those prescribed in subparagraphs 2 and 3 above, concerning the investigations into the status of implementing the terms of permission for, or details of reports by foreigners, foreign investors, and foreign-capital invested companies, and corrective orders therefor shall be delegated or entrusted to the competent Minister, the Commissioner of the National Tax Service, or the Commissioner of the Korea Customs Service according to their jurisdictions.

(2)Pursuant to Article 31 of the Act, the Minister of Trade, Industry and Energy shall entrust his/her authority over the following affairs to the president of the Korea Trade-Investment Promotion Agency (including the heads of the trade-centers, branches, and offices designated by the president of the Korea Trade-Investment Promotion Agency; hereinafter the same shall apply) and the head of a foreign exchange bank (including the

heads of such branches of the foreign exchange bank as designated by the head of the foreign exchange bank; hereinafter the same shall apply): <Amended by Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 27406, Jul. 28, 2016>

1. Receipt of reports on, and modifications to, foreign investment and the issuance of certificates of completion of reports under Article 5 of the Act;
 2. Registration, and registration of alteration, of foreign-capital invested companies under Article 21 (1) through (3) of the Act;
 3. Verification of grounds for cancellation of registration of foreign-capital invested companies under Article 21 (4) of the Act;
 4. Notification of details of applications for registration of alteration under Article 22 (1) of the Act;
 5. Notification or public announcement of cancellation of registration under Article 28 (2) and (3) to foreign-capital invested companies and the Commissioner of the National Tax Service.
- (3) The competent Minister shall entrust business matters concerning the examination and confirmation under Article 38 (2) to the head of a foreign exchange bank and the president of the Korea Trade-Investment Promotion Agency.
- (4) Pursuant to Article 31 of the Act, a Mayor/Do Governor may delegate the management affairs of foreign investment zones under Article 18 (5) of the Act to the Korea Industrial Complex Corporation established under Article 45-9 of the Industrial Cluster Development and Factory Establishment Act. In such cases, the Mayor/Do Governor may prescribe details necessary for performing such entrusted affairs. <Amended by Presidential Decree No. 22426, Oct. 5, 2010; Presidential Decree No. 25655, Oct. 15, 2014>
- (5) People who have been delegated or entrusted under paragraphs (1) and (2) shall notify, or report on, the results of performing such delegated or entrusted affairs to the Minister of Trade, Industry and Energy; persons who have been entrusted under paragraph (3) to the competent Minister; and persons who have been entrusted under paragraph (4) to the competent Mayor/Do Governor. <Amended by Presidential Decree No. 24442, Mar. 23, 2013>
- (6) The Minister of Trade, Industry and Energy may determine details necessary for performing affairs delegated or entrusted under paragraphs (1) through (3). <Amended by Presidential Decree No. 24442, Mar. 23, 2013>

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

CHAPTER VIII ADMINISTRATIVE FINES

Article 41 (Standards for Imposition of Administrative Fines)

Standards for imposition of administrative fines under Article 37 of the Act shall be as specified in attached Table 6.

[This Article Wholly Amended by Presidential Decree No. 21657, Jul. 30, 2009]

ADDENDA

Article 1 (Enforcement Date)

This Decree shall enter into force on November 17, 1998.

Article 2 (Repeal of Other Statutes)

The Enforcement Decree of the Foreign Investment and Foreign Capital Inducement Act is hereby repealed.

Article 3 (Applicability to Designation of Foreign Investment Zones)

(1) The provisions of Article 25 (1) 1 (d) and 2 shall apply to foreign investments reported on or after the date this Decree enters into force.

(2) The application of the provisions of Article 25 (1) 2 shall be limited to foreign investments which will have been reported by December 31, 2003, and in which the payment of the objects of the investments will have completed by December 31, 2005.

Article 4 (Transitional Measures concerning Public Announcement of Provisions concerning Restrictions on Foreign Investment)

Notwithstanding the provisions of Article 5 (2), the head of a relevant administrative agency shall make a public announcement to the Minister of Finance and Economy of the contents of the provisions restricting foreign investment within one month after this Decree enters into force, and the Minister of Finance and Economy shall integrate the notified details and issue public notice of the consolidated contents thereof within two months after this Decree enters into force.

Article 5 (Relations with Other Statutes)

Where other statutes contain, at the time when this Decree enters into force, a citation of such provisions as relate to foreign investment from among the Enforcement Decree of the Foreign Investment and Foreign Capital Inducement Act and the Enforcement Decree of the Foreign Capital Inducement Act, and where there are provisions corresponding to those cited in this Decree, those statutes shall be regarded as having cited the corresponding provisions of this Decree.

ADDENDA <Presidential Decree No. 16330, May 24, 1999>

Article 1 (Enforcement Date)

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

Articles 2 through 5 Omitted.

ADDENDUM <Presidential Decree No. 16583, Oct. 27, 1999>

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

ADDENDA <Presidential Decree No. 16720, Feb. 23, 2000>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Applicability for Designation of Foreign Investment Zone) The amendments to Article 25 (1) 2 shall apply to foreign investments with respect to which the designation plan is submitted in accordance with Article 25 (2) on or after the date this Decree enters into force.

ADDENDUM <Presidential Decree No. 17135, Feb. 24, 2001>

This Decree shall enter into force on the date of its promulgation: Provided, That the amendments to the proviso of Article 2 (2) shall enter into force three months after the date of its promulgation.

ADDENDA <Presidential Decree No. 17137, Feb. 24, 2001>

Article 1 (Enforcement Date)

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

Articles 2 through 7 Omitted.

ADDENDA <Presidential Decree No. 17474, Dec. 31, 2001>

(1)(Enforcement Date) This Decree shall enter into force on January 1, 2002.

(2)(Applicable Cases for Rental Fee of State or Public Property) The amendments to Article 19 (3) shall apply to foreign investments reported on or after the date this Decree enters into force.

(3)(Applicable Cases for Requirements for Designation of Foreign Investment Zone) The amendments to Article 25 (1) 1 through 3 shall apply to foreign investments reported on or after the date this Decree enters into force.

ADDENDA <Presidential Decree No. 17686, Jul. 27, 2002>

(1)(Enforcement Date) This Decree shall enter into force on July 27, 2002.

(2)and (3) Omitted.

ADDENDA <Presidential Decree No. 17851, Dec. 30, 2002>

(1)(Enforcement Date) This Decree shall enter into force on January 1, 2003.

(2)(Applicability to Designation of Foreign Investment Zones) The amended provisions of Article 25 (1) 1 (a) and 4 shall begin to apply to the foreign investment reported on and after the date when this Decree enters into force.

ADDENDA <Presidential Decree No. 18039, Jun. 30, 2003>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 2003.

Articles 2 through 6 Omitted.

ADDENDA <Presidential Decree No. 18222, Jan. 13, 2004>

(1)(Enforcement Date) This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 25 (1) 3 (b) shall enter into force on February 1, 2004.

(2)(Applicability of Reduction of or Exemption from Rent Fees for Foreign-Capital Invested Companies) The amended provisions of Article 19 (4) 2 shall begin to apply to the first application for reduction of or exemption from the rental fee filed after this Decree enters into force.

(3)(Applicability of Foreign Investment Zone) The amended provisions of Article 25 shall begin to apply to the first foreign investment reported after this Decree enters into force.

ADDENDA <Presidential Decree No. 18343, Mar. 29, 2004>

Article 1 (Enforcement Date)

This Decree shall enter into force on March 30, 2004.

Articles 2 through 4 Omitted.

ADDENDUM <Presidential Decree No. 18662, Dec. 31, 2004>

This Decree shall enter into force on January 1, 2005.

ADDENDA <Presidential Decree No. 18736, Mar. 8, 2005>

Article 1 (Enforcement Date)

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

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 19321, Feb. 8, 2006>

Article 1 (Enforcement Date)

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

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 19513, Jun. 12, 2006>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 2006.

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 19639, Aug. 4, 2006>

Article 1 (Enforcement Date)

This Decree shall enter into force on August 5, 2006.

Articles 2 through 6 Omitted.

ADDENDUM <Presidential Decree No. 19826, Jan. 5, 2007>

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

ADDENDA <Presidential Decree No. 20257, Sep. 10, 2007>

Article 1 (Enforcement Date)

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

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 20258, Sep. 10, 2007>

Article 1 (Enforcement Date)

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

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 20289, Sep. 27, 2007>

Article 1 (Enforcement Date)

This Decree shall enter into force on September 28, 2007.

Articles 2 through 6 Omitted.

ADDENDA <Presidential Decree No. 20290, Sep. 27, 2007>

Article 1 (Enforcement Date)

This Decree shall enter into force on September 28, 2007.

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 20331, Oct. 23, 2007>

Article 1 (Enforcement Date)

This Decree shall enter into force on October 28, 2007. (Proviso Omitted.)

Articles 2 and 3 Omitted.

ADDENDUM <Presidential Decree No. 20344, Oct. 26, 2007>

This Decree shall enter into force on October 28, 2007.

ADDENDA <Presidential Decree No. 20516, Dec. 31, 2007>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2008.

Articles 2 through 7 Omitted.

ADDENDUM <Presidential Decree No. 20646, Feb. 22, 2008>

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 5 shall enter into force three month after the date of its promulgation.

ADDENDA <Presidential Decree No. 20678, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Presidential Decree No. 20947, Jul. 29, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on February 4, 2009. (Proviso Omitted.)

Articles 2 through 28 Omitted.

ADDENDA <Presidential Decree No. 21098, Oct. 29, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 21181, Dec. 24, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2009.

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 21182, Dec. 24, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2009.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 21214, Dec. 31, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 21515, May 29, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 21590, Jun. 30, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 2009. (Proviso Omitted.)

Articles 2 through 9 Omitted.

ADDENDA <Presidential Decree No. 21641, Jul. 27, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 31, 2009. (Proviso Omitted.)

Articles 2 through 15 Omitted.

ADDENDA <Presidential Decree No. 21657, Jul. 30, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 31, 2009.

Article 2 (Applicability)

The amended provisions of Article 29 (2) 2 (b) shall apply, commencing from the acquisition of stocks, etc. of other companies by a private equity fund first made after this Decree enters into force.

Article 3 Omitted.

ADDENDA <Presidential Decree No. 21719, Sep. 9, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on September 10, 2009.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 21882, Dec. 14, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Presidential Decree No. 21918, Dec. 30, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2010. (Proviso Omitted.)

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 22073, Mar. 9, 2010>

Article 1 (Enforcement Date)

This Decree shall enter into force on March 10, 2010. (Proviso Omitted.)

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 22224, Jun. 28, 2010>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 2010.

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 22426, Oct. 5, 2010>

Article 1 (Enforcement Date)

This Decree shall enter into force on October 6, 2010.

Article 2 (Transitional Measures for Foreign Investment Amount)

Any foreign investment reported as at the time this Decree enters into force shall be governed by the previous provisions, notwithstanding the amended provisions of Article 2 (2) concerning foreign investment amount.

Article 3 (Applicability to Capitalization of Earned Surplus Reserve)

The amended provisions of Article 2 (3) shall apply to the first foreign investment reported after this Act enters into force.

ADDENDA <Presidential Decree No. 22815, Apr. 1, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on April 1, 2011.

Articles 2 through 10 Omitted.

ADDENDA <Presidential Decree No. 23297, Nov. 16, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Article 2 Omitted.

ADDENDA <Presidential Decree No. 23993, Jul. 26, 2012>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 27, 2012.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 24442, Mar. 23, 2013>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 12 Omitted.

ADDENDA <Presidential Decree No. 24502, Apr. 22, 2013>

Article 1 (Enforcement Date)

This Decree shall enter into force on April 24, 2013.

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 24585, Jun. 11, 2013>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 19, 21-3 (5) through (7), 21-4 (2), 35 (2) 2, and attached Table 6 shall enter into force on June 12, 2013.

Article 2 (Applicability to Notification of Handling Results)

The amended provisions of Article 21-3 (5) shall apply from the first recommendation to take corrective measures by a foreign investment ombudsman on or after the date this Decree enters into force.

Article 3 (Applicability to Designation of Foreign Investment Zones)

The amended provisions of Article 25 (1) shall apply from the first application for designation of a foreign investment zone filed on or after the date this Decree enters into force.

ADDENDA <Presidential Decree No. 24638, Jun. 28, 2013>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 2013.

Articles 2 through 17 Omitted.

ADDENDUM <Presidential Decree No. 25221, Feb. 27, 2014>

This Decree shall enter into force on March 11, 2014.

ADDENDA <Presidential Decree No. 25249, Mar. 11, 2014>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 25476, Jul. 16, 2014>

Article 1 (Enforcement Date)

This Decree shall enter into force on Jul. 31, 2014.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 25655, Oct. 15, 2014>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That the amended provisions of subparagraph 48 of attached Table 5 (limited to the matters relating to the licensing of operating research reactors, etc.) shall enter into force on Nov. 22, 2014.

Article 2 (Applicability to Rates of Reduction or Exemption of Rental Charges)

The amended provisions of Article 19 (6) 1 (d) and (7) 1 shall apply with regard to the conclusion of a lease contract or renewal contract made after this Decree enters into force.

Article 3 (Applicability to Exemption, etc. from Duty to Report in Case of Disposal of Capital Goods Subject to Tax Reduction or Exemption)

(1) The amended provisions of Article 29 (1) 1 and 2 shall also apply where a person has obtained the approval or confirmation of the head of the relevant customs office under Article 108 (4) or 109 (1) of the Customs Act before this Decree enters into force.

(2) The amended provisions of Article 38 (3) 1 shall apply where a person receives a notice of payment under Article 39 (3) of the Customs Act on or after the date this Decree enters into force.

(3) The amended provisions of Article 38 (3) 2 shall apply where import declarations have been accepted under Article 241 (1) of the Customs Act before this Decree enters into force.

Article 4 (Transitional Measures for Cash Grants for Local Headquarters)

Notwithstanding the amended provisions of Article 20-2 (4) 1, former provisions shall apply with regard to the local headquarters to which cash grants have been awarded under former Article 20-2 (4) 1 as at the time this Decree enters into force.

Article 5 (Transitional Measures for Designation of Foreign Investment Zone of Research Facilities)

Notwithstanding the amended provisions of Article 25 (1) 4, former provisions shall apply with regard to the research facilities designated as a foreign investment zone under former Article 25 (1) 4 as at the time this Decree enters into force.

ADDENDA <Presidential Decree No. 25840, Dec. 9, 2014>

Article 1 (Enforcement Date)

This Decree shall enter into force on Jan. 1, 2015.

Articles 2 through 16 Omitted.

ADDENDA <Presidential Decree No. 26205, Apr. 20, 2015>

Article 1 (Enforcement Date)

This Decree shall enter into force on Apr. 29, 2015.

Articles 2 and 3 Omitted.

ADDENDA <Presidential Decree No. 26600, Oct. 23, 2015>

Article 1 (Enforcement Date)

This Decree shall enter into force on Oct. 25, 2015. (Proviso Omitted.)

Articles 2 through 9 Omitted.

ADDENDUM <Presidential Decree No. 26803, Dec. 30, 2015>

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

ADDENDA <Presidential Decree No. 27406, Jul. 28, 2016>

Article 1 (Enforcement Date)

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

Article 2 (Applicability to Reduction of, or Exemption from, Rental Charges for Public Property)

The amended Article 19 (11) shall apply, beginning with a lease contract concluded or renewed after this Decree enters into force.

Article 3 (Transitional Measures concerning Definitions of Foreign Investment, etc.)

Any foreign investment reported or permitted under the former provisions before this Decree enters into force shall be deemed a foreign investment that complies with the amended Article 2 (2) 2, (6), and (7).

ADDENDA <Presidential Decree No. 27751, Dec. 30, 2016>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2017. (Proviso Omitted.)

Articles 2 through 12 Omitted.

ADDENDA <Presidential Decree No. 27793, Jan. 17, 2017>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 20, 2017.

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 27972, Mar. 29, 2017>

Article 1 (Enforcement Date)

This Decree shall enter into force on March 30, 2017.

Articles 2 through 10 Omitted.

ADDENDA <Presidential Decree No. 28212, Jul. 26, 2017>

Article 1 (Enforcement Date)

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

Articles 2 through 4 Omitted.

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