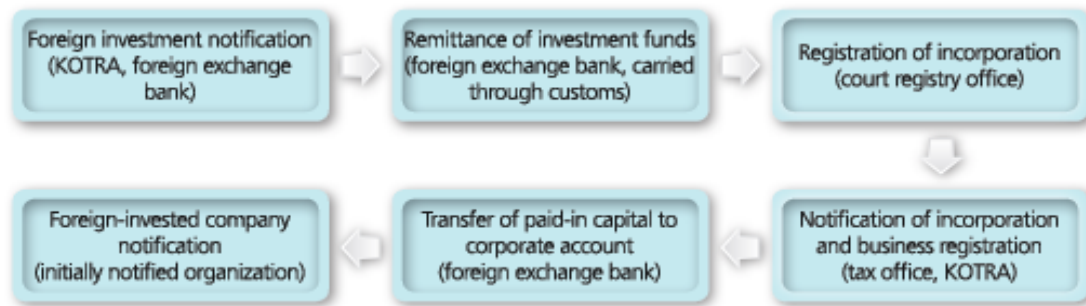


Establishment of a Local Corporation

The procedure for the establishment of a local corporation by a foreign investor is almost identical to that pertaining to the establishment of a domestic corporation, but requires the additional steps of foreign investment notification before establishment and foreign-invested company registration after establishment.

1. The Procedure for Establishing a Local Corporation

The procedure for establishing a local corporation consists of foreign investment notification, registration of incorporation, registration of business and foreign-invested company registration. The following provides the details of the important steps of the incorporation registration procedure and business registration procedure.



2. The Procedure for Establishing a Stock Company

The Commercial Act recognizes five different forms of companies - partnership company, limited partnership company, limited liability company, stock company and limited company. As most companies fall into the category of “stock company”, the procedure for establishing a stock company will be explained here.

(1) Ways of Establishing a Stock Company

There are two ways of establishing a stock company: promotion of incorporation and subscripive incorporation. Promotion of incorporation means that promoters subscribe to all of the shares issued at the time of incorporation. On the other hand, subscripive incorporation means that promoters subscribe to only part of the shares issued at the time of incorporation and the remaining shares are offered for subscripion.

(2) Registration of Incorporation of a Stock Company

The registration of incorporation of a stock company should be effected within: two weeks from the date on which the investigation of the process of establishment is completed in the case of promotion of incorporation; and two weeks from the date on which the inaugural general meeting is closed in the case of subscripive incorporation.

The composition of promoters and whether the trade name or title is used by other companies should be reviewed prior to registration. Since a trade name that has been registered by another person cannot be registered as a trade name for the same line of business in Seoul metropolitan city and other metropolitan cities, cities(si) or counties(gun), it is necessary to check whether an identical trade name has already been registered on the website of the Supreme Court (www.iros.go.kr).

Documents Required for Registration of Incorporation	
<ol style="list-style-type: none"> 1. Application form for stock company incorporation registration 2. Articles of incorporation (To be notarized by a public notary. Notarization is exempted where the total capital of the newly incorporated stock company is less than KRW 1 billion) 3. Documents certifying subscription to shares 4. Subscription form (in the case of subscripive incorporation) 5. Written consent to matters concerning the issuance of shares 6. Written consent to the shortening of the period for notice of convocation before the date of the inauguration general meeting (if the period is shortened) 7. The minutes of the inaugural general meeting (To be notarized by a public notary. Notarization is exempted where the total capital of the newly incorporated stock company is less than KRW 1 billion) 8. The minutes of the Board of Directors (To be notarized by a public notary. Notarization is exempted where the total capital of the newly incorporated stock company is less than KRW 1 billion) 9. A certificate of deposit of payment for shares or certificate of balance 10. An investigation report by a director, auditor or the audit committee 11. Certificate of delivery of the pertinent property (in the case of investment-in-kind) 12. The public notary's report on the particulars of abnormal incorporation 	<ol style="list-style-type: none"> 13. A written statement by an appraiser 14. A certified copy of the report by an inspector 15. Foreign investment notification certificate 16. Certificate of inauguration acceptance * <ol style="list-style-type: none"> a. A Korean national should put his/her seal on the certificate, and attach a certificate of the seal and a certified copy of his/her resident registration b. A foreign national should attach the original copy with his/her signature notarized and a copy of his/her passport 17. Certificate of seal registration (with his/her signature notarized) * 18. Resident registration certificate (certification of address) * 19. Translation of documents (in cases where the required documents including the director's inauguration acceptance are written in a foreign language) * 20. Receipt for payment of registration tax (issued by the district office which has jurisdiction over the area where the company headquarters is located) 21. Revenue stamp of the Supreme Court of Korea 22. Power of attorney (where an agent makes the application) 23. Corporate seal 24. Application form for issuance of corporate seal card (after registration of incorporation) <p>* Documents 11, 12, 13 and 14 above indicated are required in cases where there are particulars of abnormal incorporation, such as in-kind investment.</p>

* For documents 16, 17 and 18, an Apostille is required. In the case of countries that are not signatories of the Apostille Convention, notarization by the consul in Korea is required after obtaining notarization in the home country.

※ **Documents required for a foreign investor**

The documents to be submitted by a foreign investor differ, depending on whether the investor concerned is an individual or a corporation. A foreign investor of Japan or Taiwan must submit the same documents as a national of the Republic of Korea or a Korean corporation.

< Documents Required for Individual Investors >

Certificate of corporate seal registration	The personal seal or signature of the company representative should be placed on the certificate of
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	corporate seal registration and be notarized (for countries that do not use seals).
A certificate of inauguration acceptance and a certificate of registered seal impression	Those who are inaugurated as executives of the new company <ul style="list-style-type: none"> • Korea/Japan/Taiwan: Place seal on the certificate of inauguration acceptance and attach a certificate of registered seal impression • Other countries: Place signature on the certificate of inauguration and have it notarized
Abstract of resident registration or address affidavit (for representative directors)	To be attached to the certificate of inauguration acceptance <ul style="list-style-type: none"> • Korea/Japan/Taiwan: Abstract of resident registration or resident registration card • Other countries: Notarized address affidavit of the respective countries (not required for directors and auditors)
Power of attorney	When delegating matters regarding notification of foreign investment <ul style="list-style-type: none"> • Japan/Taiwan: Place seal on the power of attorney and attach a certificate of registered seal impression • Other countries: Place signature on the power of attorney and have it notarized
A copy of passport	All foreign nationals

< Documents Required for Corporate Investors >

Certified copy of corporate registration (the investing corporation)	Taiwan and Japan: A certified copy of corporate registration Other countries: Certificate of corporation or notarization certificate proving the existence of the corporation
Certificate of corporate seal impression (the corporation being established)	Place the personal seal or signature of the company representative on the certificate of corporate seal registration and have it notarized (for countries that do not use seals)
A certificate of inauguration acceptance and a certificate of seal impression	Those who are inaugurated as executives of the new company <ul style="list-style-type: none"> • Korea/Japan/Taiwan: Place seal on the certificate of inauguration acceptance and attach a certificate of registered seal impression • Other countries: Place signature on the certificate of inauguration and have it notarized
Abstract of resident registration or address affidavit (for representative directors)	To be attached to the certificate of inauguration acceptance <ul style="list-style-type: none"> • Korea/Japan/Taiwan: Abstract of resident registration or resident registration card • Other countries: Notarized address affidavit of the respective countries (not required for directors and auditors)
Power of attorney	When delegating matters regarding notification of foreign investment <ul style="list-style-type: none"> • Japan/Taiwan: Place seal on the power of attorney and attach a certificate of registered seal impression • Other countries: Place signature of the representative director on the power of attorney and have it notarized
A copy of passport	All foreigners

(Source: Invest Korea)

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