

Closing of a Branch and Repatriation of Funds

In case the one who has been approved for establishing a local branch office wants to close his or her domestic branch or repatriate funds to a foreign country after disposing his or her locally owned assets, he or she should report the relevant facts to the head of a designated foreign exchange bank. In this case, the retrieved funds should not exceed the sum of the operating funds introduced to the local branch office, earned surplus and other reserve funds (after deducting deficits, if any)

■ Required documents for notification of branch closure

- Certificate of notification of closure of a foreign company's domestic branch: The notification should be filed under the name of the liquidator
- Documents certifying branch closure (issued by the company headquarters)
- Original copy of certification of notification of a foreign company's establishment of a domestic branch

■ Required documents for repatriation of funds

- A copy of the notification form of closure of a foreign-invested company's domestic branch
- A CPA-audited liquidation report (including the balance sheet, income statement as of the date of branch closure and date of completion of liquidation)
- Tax payment certificate (national tax and local tax, issued by the competent tax office)
- Specification of introduced operating funds, earned surplus and other reserve funds
- Bank balance certificate (should match the remittable amount in the liquidation report)
- A certified copy of the liquidation-closure register in the case of branches that engaged in sales activities
- The following documents should be submitted if a certified copy of the liquidation-closure register is not available:
 - ✓ Business closure certificate (issued by the competent tax office)
 - ✓ A document certifying the appointment of a liquidator
 - ✓ A document certifying that a peremptory notice for creditors has been issued (i.e. a copy of a newspaper on which the notice has been published)
 - ✓ Certificate of clearance of overdue wages for Korean workers (issued by the head of the competent labor office)

(Source: Invest Korea)