Korea was ranked fifth for business friendliness among 189 countries in the Doing Business 2015, a report published by the World Bank earlier this year, achieving its highest rank.

Thus far, Korea has made it a policy priority to improve its “clustered regulations” and how it meets global standards to create a business-friendly environment. But gray areas remain, and foreign-invested companies sometimes don’t directly feel the fruits of policy improvement. This year, the Office of the Foreign Investment Ombudsman addressed a host of grievances raised by foreign-invested companies and strived to provide communication channels with the government to preemptively resolve difficulties. Kim Yong Rae, Head of the Foreign Investor Support Office at KOTRA, presented on the Ombudsman’s Office’s achievements and goals to an audience of about 200 last month at the CEO Forum for Foreign-Invested Companies 2014. The event, attended by the CEOs of foreign-invested companies and senior government officials, aimed to further bridge the gap between multinational companies and the Korean government. Kim presented on the following grievance resolution cases.

The rate of foreign direct investment liberalization in Korea is 99.7 percent, which means almost every sector is open to foreign investment. Depending on the actual application of laws and regulations, however, foreign investors sometimes face limitations in doing business, such as non-tariff barriers. Foreign Company A applied for a public tendering procedure in accordance with the Act on Contracts to Which the State is Party, but it faced difficulties participating in the tendering due to strict requirements for a record of construction projects done in Korea. The Office of the Foreign Investment Ombudsman resolved the grievance by suggesting that the government acknowledge the company’s overseas construction projects, so it could be qualified to bid for public tendering.

Another case had to do with policy consistency. Korea’s Commercial Act does not mandate that limited companies undergo an external audit or make disclosures, and it acknowledges various types of businesses based on a corporation’s characteristics. Recently, a bill was proposed to include limited companies as the subjects of external audits and mandatory disclosures, the aim being to enhance accounting transparency. The Office of the Foreign Investment Ombudsman requested that limited companies be excluded from mandatory external audits and disclosures, as the regulation goes against the legal nature of limited companies, which is one of confidentiality. The government accepted the request in the process of legislation.

Kim also spoke about how the Office resolved a case involving government regulations that failed to reflect a company’s technological level, the industry’s labor pool and the reality of the business environment. He also talked about the resolution of a system improvement case in which double regulations required foreign companies to report the disposal of capital goods to the Ministry of Trade, Industry and Energy even after receiving approval from the Korea Customs Service.

Kim assured the audience that the Office of the Foreign Investment Ombudsman will serve as a trustworthy partner and supporter of foreign-invested companies, always standing by their side. He said the Office will continue to provide communication channels between the government and foreign business community through events like the CEO Forum for Foreign-Invested Companies. And he expressed the commitment of the Office of the Foreign Investment Ombudsman to liberalizing cross-border investment through aftercare services.

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