

# Are there any disadvantages when a foreign investor fails to register as a foreign-invested company?

*Every month, Invest Korea provides answers to some frequently asked questions submitted by foreign-invested companies in Korea and potential investors.*

## Q.

**Are there any disadvantages when a foreign investor fails to register as a foreign-invested company?**

## A.

A foreign investor who fails to register as a foreign-invested company cannot prove that his/her foreign investment has been completed. As a result, matters such as visa applications for a stay in Korea or the transfer of dividends or proceeds from the sale of stocks to foreign countries cannot be processed.

- Therefore, all foreigners who have completed a foreign investment (including partial execution of investment satisfying the requirements for foreign investment under the Foreign Investment Promotion Act) should apply for registration (registration of alteration) as a foreign-invested company within 60 days from the occurrence of relevant events\*, as prescribed by Article 21 of the Foreign Investment Promotion Act.

\* Occurrence of relevant events: The completion of payment for the object of investment, the completion of acquisition of stocks, etc. (settlement of payments), or the completion of contributions

- In addition, a delay or other disadvantages may be experienced in cases requiring a certificate of the registration of a foreign-invested company (when renting an office or a facility in a foreign investment zone or applying for exemption from the mandatory bond purchase under the Housing Act or the Urban Railroad Act)

*If you have further questions please contact*



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