

Are there any business categories where a foreigner should have a Korean partner to invest in Korea?

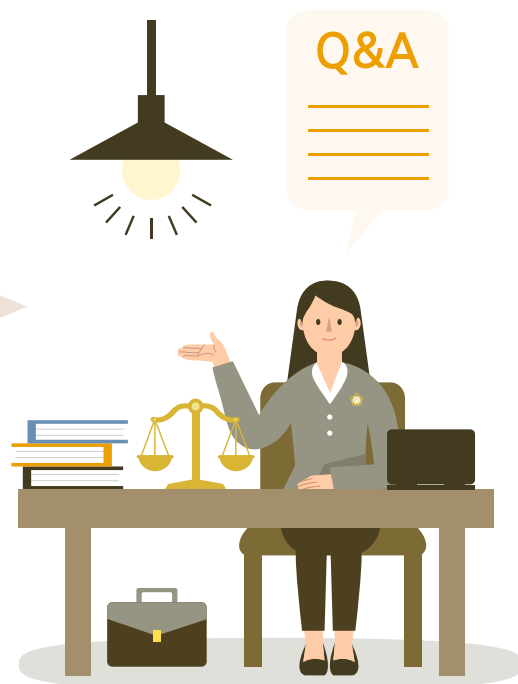
Every month, Invest KOREA provides answers to some frequently asked questions submitted by foreign-invested companies in Korea and potential investors.

Q.

Are there any business categories where a foreigner cannot invest alone and should have a Korean partner to invest in Korea?

A.

In most business categories, a foreigner can invest alone in Korea without a Korean partner. However, a foreigner should have a Korean partner to invest in “restricted business categories” and there are restrictions as to the percentage of stocks or shares that can be held by a foreign investor.





- The restricted and prohibited business categories are revised and announced every year by the Minister of Trade, Industry and Energy through the Integrated Public Notice of Foreign Investment pursuant to Article 4 (4) of the Foreign Investment Promotion Act and Article 5 (11) of the Enforcement Decree of the Act.

- Restrictions on Foreign Investment (Example)**

Business Categories (KSIC)	Overview	Criteria for Permission
Electric power transmission and distribution (35120)	Industrial activities of transmitting the electric power generated to certain regions or distributing the transmitted electric power to endusers	Permitted only in the following cases: 1. The foreign investment ratio shall be less than 50%. 2. The number of stocks with voting rights held by a foreign investor shall be below that of the largest domestic shareholder. <i>* These criteria only apply to trade of electricity subject to the Electric Utility Act.</i>
Trade of electricity (35130)	Industrial activities of supplying and selling electricity to household, industrial and commercial users	
Collection, treatment and disposal of radioactive nuclear waste (38240)	Industrial activities of collecting, transporting and disposing of radioactive wastes that need to be disposed of	Permitted except for radioactive waste management business pursuant to Article 9 of the Radioactive Waste Management Act
Wholesale of meat (46313)	Industrial activities of wholesaling fresh, refrigerated or frozen meat of livestock or other land animals	Permitted if the foreign investment ratio is less than 50%.

For further inquiries, please contact the Investment Consulting Center

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