

Q: What procedures and documents are required for a foreign investor intending to transfer its shares to a Korean national or a foreigner?

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

A:

When a foreign investor transfers the stocks, etc. acquired pursuant to the Foreign Investment Promotion Act to another person (a Korean national or a foreigner), the acquiring foreigner or foreign-invested company should report the acquisition of the stocks, etc. and register change of information of foreign-invested company to a delegated agency within 60 days of the signing of the stock transfer contract.

1) When the foreign investor transfers the stocks to a foreigner:

- The acquiring foreigner: Two copies of the form of notification of foreign investment by acquisition of stocks, etc. or contribution (certificate of nationality and stock transfer contract to be attached)
- The foreign-invested company: An application for alteration of registration of a foreign-invested company (the original certificate of registration of a foreign-invested company should be returned and a shareholder register should be attached)

2) When the foreign investor transfers the stocks to a Korean national:

- The foreign-invested company should apply for alteration of registration of foreign-invested company to reflect the transfer of the stocks of the foreign investor. However, if the entire stocks held by the foreign investor are transferred, registration of foreign-invested company shall be cancelled.
- The foreign-invested company: An application for alteration of registration of foreign-invested company (the original certificate of registration of a foreign-invested company should be returned and a shareholder register should be attached)

For further inquiries, please contact the Investment Consulting Center

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