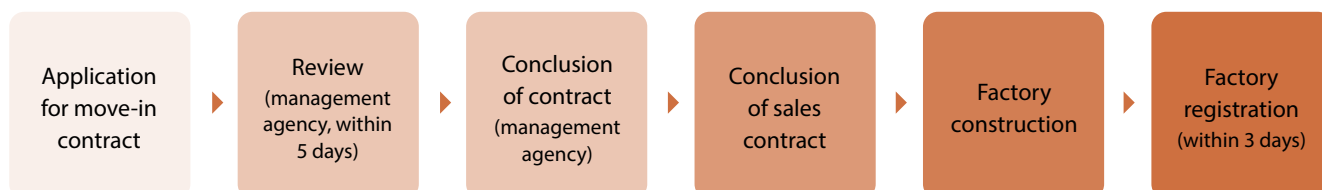


Factory Establishment

Factories are business establishments for operating a manufacturing business, and include buildings, factory buildings, manufacturing facilities and their incidental facilities. Manufacturing business refers to manufacturing businesses under the Korean Standard Industry Classification promulgated by the Commissioner of Statistics Korea.

① Factory establishment in an industrial complex (planned site)

Unlike individual sites, many parts of an industrial complex are complete and thus there are not many matters that require permits and licenses. The types of businesses permitted in each industrial complex is pre-determined, which greatly reduces the time required for review. The industrial complex submits to the management agency an application for tenancy contract, which has the same administrative effect as an application for approval of factory establishment for an individual site. Approval is normally granted within five days of filing an application, but it takes up to 10 days if a negotiation with related organizations is needed. After obtaining an approval, the procedure for report of completion, confirmation of field visit by a public official and factory registration is the same as the ones for individual sites.



② Factory Establishment in an Individual Site

Establishment of a factory in an individual site under the Act on Industrial Integration and Factory Establishment

Since there are many laws about factory establishment, it is important to review all the relevant laws and regulations. When a move-in application is submitted, it will be reviewed and approved within 20 days in accordance with Korea's factory establishment approval system. If the application is filed to the municipality having jurisdiction over the site of the factory to be established, it may be approved within 14 days. If blanket processing* applies, the approval period can be shortened to seven days or less.

* Blanket processing: A system of permitting the permits and authorizations that should be obtained separately pursuant to individual laws at the same time to increase administrative efficiency and enhance administrative service



- **Application for confirmation of conformance with tenancy requirements**

This system allows you to confirm in advance whether or not a factory can be established on the site. The results are informed within 10 days of filing an application.

- **Factory construction**

After factory establishment is approved, ground leveling, infrastructure building and construction can be carried out.

- **Factory registration**

If a report of factory establishment is completed within two months of finishing construction and machinery and equipment installation, the government official in charge visits the factory and checks whether the plant is operating according to the original application. If there are no issues, factory registration shall be completed within three days of the report of factory establishment.