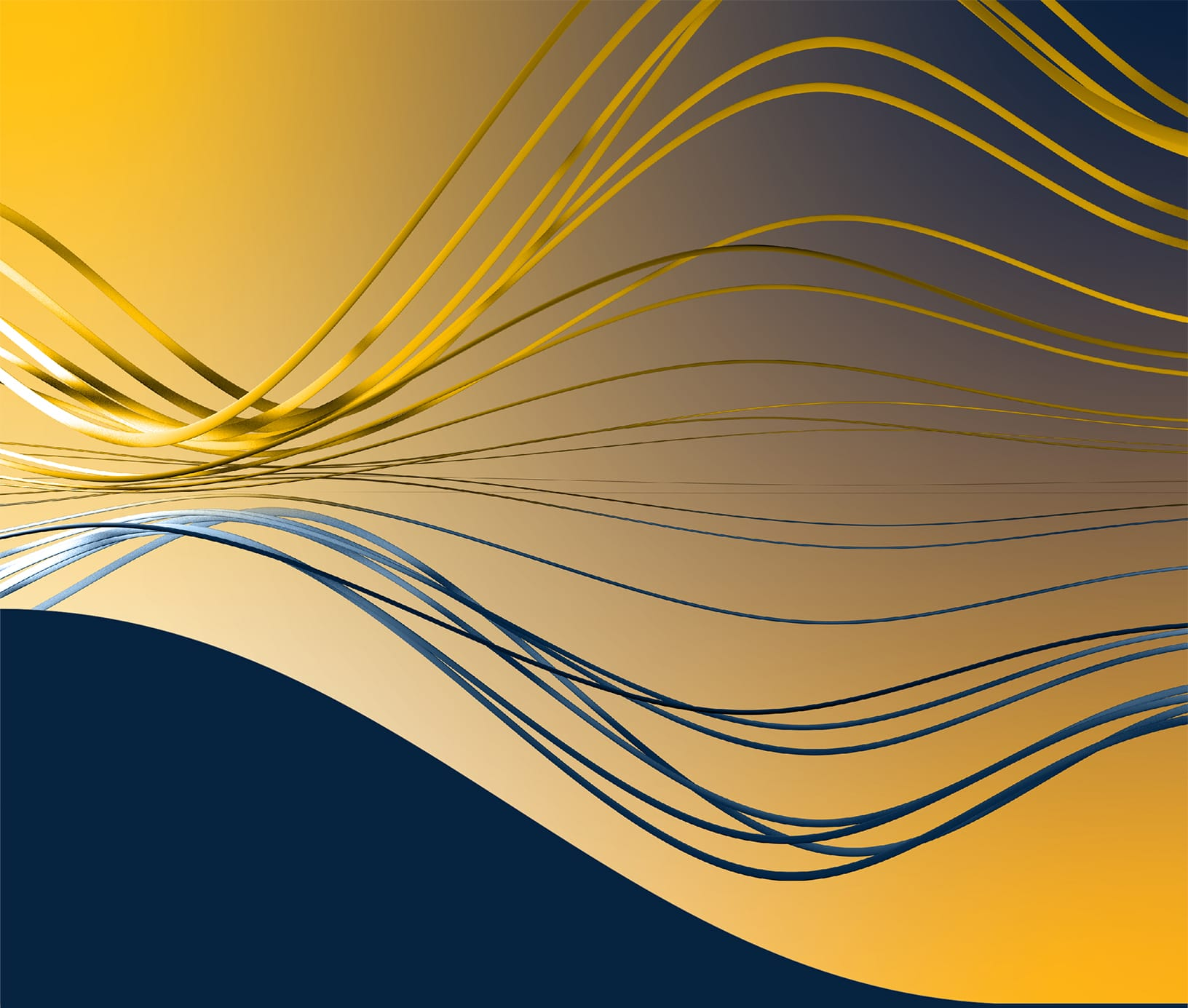

SOUTH KOREA

Global Expansion Guidebook: Corporate

DLA PIPER

Introduction

Welcome to the 2026 edition of DLA Piper's *Global Expansion Guidebook – Corporate*.

To compete and be successful today, companies need to develop and scale their businesses globally. Each country presents its own set of unique laws, rules and regulations and business practices that companies must understand to be successful. In order to help clients meet the opportunities and challenges of expanding internationally, we have created a handy set of global guides that cover the basics companies need to know when going into and doing business in new countries. The *Global Expansion Guidebook* series reviews business-relevant corporate, employment, intellectual property and technology, executive compensation, and tax laws in key jurisdictions around the world.

Corporate

The *Global Expansion Guidebook – Corporate* has been created based on our research, our experience and feedback we have received from clients in both established and emerging businesses that have expanded internationally. We hope it will be a helpful resource for you.

The *Global Expansion Guidebook – Corporate* covers corporate basics in 55 key jurisdictions across the Americas, Asia Pacific, Europe and the Middle East. We touch on a wide range of corporate issues for companies expanding internationally, including establishing a corporate presence and choice of entity, liability considerations, tax presence and tax filings, capital requirements, the formation process, director, officer and shareholder requirements, registration processes, office lease processes and possible exit strategies.

With more than 600 lawyers, DLA Piper's global Corporate group is one of the largest in the world, with one of the widest geographical footprints of any global law firm and experience across the legal areas companies need as they expand internationally. With both global experience and local knowledge, we partner with our clients wherever they do business to find solutions and manage their risk in relation to their challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to seek advice regarding the specific matters that concern you. If you wish to speak to any of our contributors, you may find their contact details at the end of the guide.

We hope you find this guide valuable, and we welcome your feedback.

This publication is provided to you as a courtesy, and it does not establish a client relationship between DLA Piper and you, or any other person or entity that receives it.

This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

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Full bio

South Korea

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Form of entity

Joint-stock company (*Jusik Hoesa*)

- Separate and distinct entity.
- General meeting of shareholders is the ultimate decision-making body and determines the fundamental matters regarding the company's structure and management specified under the Korean Commercial Code (KCC) or the company's articles of incorporation (AOI).
- Board of directors, which is comprised of directors who are elected at the general meeting of shareholders, decides important matters related to daily operations of the company not specially reserved for determination by the general meeting of shareholders under the KCC or the AOI.
- Representative director or executive officer, who is elected by the board of directors, is the administrative arm responsible for implementing the decisions of the general meeting of shareholders and board of directors with the authority to bind the company.
- Statutory auditor(s) supervise(s) the management of the company's business and audits the company's accounts.

Limited company (*Yuhan Hoesa*)

- Separate and distinct entity.
- General meeting of members is the ultimate decision-making body and determines fundamental matters regarding the company's structure and management.
- Directors elected at the general meeting of members decide important matters related to daily operations of the company not specially reserved for determination by the general meeting of members by a majority vote.
- Director (in case a limited company has only 1 director) or representative director elected at the general meeting of members (in case a limited company has two or

more directors) is the administrative arm responsible for implementing the decisions of the general members and directors with the authority to bind the company.

- Statutory auditor(s) (if any) supervise(s) the management of the company's business and audits the company's accounts.

Entity set up

Joint-stock company (*Jusik Hoesa*)

- Unlimited number of shareholders.
- Generally no personal liability of the shareholders outside of their financial contribution in the form of purchased shares.
- Taxed on its earnings at a corporate level and shareholders are taxed on any distributed dividends.
- Typical charter documents include: AOI; share certificates; and shareholders' registry.
- Board of directors decides important matters related to daily operations and the representative director or executive officer has authority to make decisions binding the company.
- Shareholders purchase shares in the company, either common or preferred.

An external audit is required for:

- Publicly listed companies, or companies that will be publicly listed within that fiscal year or the following fiscal year.
- Joint-stock companies with total assets or annual sales revenue of at least KRW50 billion or that satisfy two or more of the below conditions as of the immediately preceding fiscal year:
  - Total assets of at least KRW12 billion
  - Total debt of at least KRW7 billion
  - Total annual sales revenue of at least KRW10 billion
  - At least 100 employees

Limited company (*Yuhan Hoesa*)

- Unlimited number of members allowed.
- Generally no personal liability of the members outside of their financial contribution in the form of purchased units.
- Taxed on its earnings at a corporate level and members are taxed on any distributed dividends.
- Typical charter documents include: AOI, and members' registry.

- Directors decide important matters related to daily operations and director (in case a limited company has 1 director) or representative director who is elected at the general meeting of members (in case a limited company has two or more directors) has authority to bind the company.
- Members purchase units in the company, but only 1 class of units is allowed.
- An external audit is required for limited companies with total assets or annual sales revenue of at least KRW50 billion, or limited companies that meet three or more of the following thresholds.
  - Total assets of at least KRW12 billion
  - Total debt of at least KRW7 billion
  - Total annual sales revenue of at least KRW10 billion
  - At least 100 employees
  - At least 50 members
- Companies that changed their corporate structure from a joint-stock company to a limited company after November 1, 2019 are subject to the external audit conditions that are applicable to joint-stock companies for five years after registering their change of corporate structure.

Branch

A foreign company intending to directly engage in business in Korea may appoint a representative in Korea and establish a branch in Korea with the following conditions:

- Not a separate and distinct entity; unlike other separate and distinct entities, legal liabilities extend to the foreign company (head office)
- Taxed on its domestic source income in Korea at a branch level; must file tax returns with tax office within three months after the end of each fiscal year.
- Establishment process: report to foreign exchange bank; court registration; business registration is required
- Representative in Korea has authority to bind the branch; identity of the representative in Korea is publicly disclosed.
- Net income can be remitted abroad from Korea after closing of accounts for each fiscal year; however, funds remitted to a branch as operating funds cannot be repatriated abroad from Korea until liquidation of the branch is completed.

Minimum capital requirement

Joint-stock company (*Jusik Hoesa*)

Except for certain businesses that require additional licenses, there is no minimum capital requirement; however, in case of a foreign investor, at least KRW100 million is required for each foreign investor to be qualified for benefits under the Foreign Investment Promotion Law (the FIPL).

Limited company (*Yuhan Hoesa*)

Except for certain businesses that require additional licenses, there is no minimum capital requirement; however, in the case of a foreign investor, at least KRW100 million required for each foreign investor to be qualified for benefits under the FIPL.

Legal liability

Joint-stock company (*Jusik Hoesa*)

Shareholders of a company are generally not liable for the debts of a company aside from their financial contribution to the company in the form of purchased shares.

Limited company (*Yuhan Hoesa*)

Members of a company are generally not liable for the debts of a company aside from their financial contribution to the company in the form of purchased units.

Tax presence

Joint-stock company (*Jusik Hoesa*)

A joint-stock company pays corporate tax on its corporate income and distributes profits to shareholders who then pay income tax on those dividends.

Limited company (*Yuhan Hoesa*)

A limited company pays corporate tax on its corporate income and distributes profits to members who then pay income tax on those dividends.

Incorporation process

Joint-stock company (*Jusik Hoesa*)

Obtain foreign investment authorization under the FIPL (in case of a foreign investor); comply with certain statutorily required incorporation procedures; court registration; business registration with tax office; registration as a "foreign invested enterprise" under the FIPL (in case of a foreign investor).

Limited company (*Yuhan Hoesa*)

Obtain foreign investment authorization under the FIPL (in case of foreign investor); comply with certain statutorily required incorporation procedures; court registration; business registration with tax office; registration as a "foreign invested enterprise" under the FIPL (in case of foreign investor).

Business recognition

Joint-stock company (*Jusik Hoesa*)

Generally used by large-sized companies. (95 percent of the companies that filed corporate income taxes in 2025 were joint-stock companies)

Limited company (*Yuhan Hoesa*)

Generally used by small- and medium-sized companies; often used by individuals operating small family-owned business.

Shareholder meeting requirements

Joint-stock company (*Jusik Hoesa*)

Required to hold a general meeting of shareholders for each fiscal year.

Limited company (*Yuhan Hoesa*)

Required to hold a general meeting of members for each fiscal year.

Board of director meeting requirements

Joint-stock company (*Jusik Hoesa*)

Each director is obligated to report the performance of business at the board of directors' meeting that must occur at least once a year.

However, the foregoing obligation does not apply to the directors of a joint-stock company with a paid-in capital of less than KRW 1 billion because such companies are not obligated to establish a board of directors.

A resolution of the board of directors is required to hold a general meeting of shareholders.

Limited company (*Yuhan Hoesa*)

Board of directors is not a required organization, but may be established.

Annual company tax returns

Joint-stock company (*Jusik Hoesa*)

Must file annual tax returns with tax office within 3 months after the end of each fiscal year.

Limited company (*Yuhan Hoesa*)

Must file annual tax returns with tax office within 3 months after the end of each fiscal year.

Business registration filing requirements

Joint-stock company (*Jusik Hoesa*)

Business registration with tax office is required within 20 days after the commencement of business.

Limited company (*Yuhan Hoesa*)

Business registration with tax office is required within 20 days after the commencement of business.

Business expansion

Joint-stock company (*Jusik Hoesa*)

Required to amend AOI (addition of new business objectives) and make court registration thereof.

Limited company (*Yuhan Hoesa*)

Required to amend AOI (addition of new business objectives) and make court registration thereof.

Exit strategy

Joint-stock company (*Jusik Hoesa*)

Comply with certain statutorily required dissolution and liquidation procedures; file dissolution and liquidation documents with the court.

Limited company (*Yuhan Hoesa*)

Comply with certain statutorily required dissolution and liquidation procedures; file dissolution and liquidation documents with the court.

Annual corporate maintenance requirements

Joint-stock company (*Jusik Hoesa*)

General meeting of shareholders for each fiscal year.

Limited company (*Yuhan Hoesa*)

General meeting of members for each fiscal year.

Director / officer requirements

Joint-stock company (*Jusik Hoesa*)

Representative director, directors and statutory auditor are required (a joint stock company with a paid-in capital of less than KRW1 billion is not required to have a board of directors or a statutory auditor).

Limited company (*Yuhan Hoesa*)

1 or more directors are required; if a limited company has 2 or more directors, representative director is required.

For more information on directors' duties, see our Global Guide to Directors' Duties.

Local corporate secretary requirement

Joint-stock company (*Jusik Hoesa*)

None.

Limited company (*Yuhan Hoesa*)

None.

Local legal or admin representative requirement

Joint-stock company (*Jusik Hoesa*)

None beyond the required directors and officers.

Limited company (*Yuhan Hoesa*)

None beyond the required directors and officers.

Local office lease requirement

Joint-stock company (*Jusik Hoesa*)

Required for business registration.

Limited company (*Yuhan Hoesa*)

Required for business registration.

Other physical presence requirements

Joint-stock company (*Jusik Hoesa*)

Actual premises is necessary for business registration.

Limited company (*Yuhan Hoesa*)

Actual premises is necessary for business registration.

Sufficiency of virtual office

Joint-stock company (*Jusik Hoesa*)

Not sufficient for business registration.

Limited company (*Yuhan Hoesa*)

Not sufficient for business registration.

Provision of local registered address by law firm or third-party service provider

Joint-stock company (*Jusik Hoesa*)

None.

Limited company (*Yuhan Hoesa*)

None.

Provision of local director or corporate secretary by law firm or third-party service provider

Joint-stock company (*Jusik Hoesa*)

None.

Limited company (*Yuhan Hoesa*)

None.

Nationality or residency requirements for shareholders, directors and officers

Joint-stock company (*Jusik Hoesa*)

None.

Limited company (*Yuhan Hoesa*)

None.

Restrictions regarding appointment of nominee shareholders or directors

Joint-stock company (*Jusik Hoesa*)

None.

It should be noted that if a shareholder appoints a nominee shareholder to be the formal shareholder listed on the shareholder registry, only the nominee shareholder, and not the actual shareholder, have the right to exercise the rights as a shareholder.

Limited company (*Yuhan Hoesa*)

None.

Joint-stock company (*Jusik Hoesa*)

Summary of director's, officer's and shareholder's authority and limitations thereof

- General meeting of shareholders is the ultimate decision-making body that determines fundamental matters regarding the company's structure and management, pursuant to the KCC or the company's AOI.
- Board of directors, which is comprised of directors who are elected at the general meeting of shareholders, determines important matters related to daily operations of the company not specially reserved to be determined by the general meeting of shareholders, pursuant to the KCC or the company' AOI.
- Representative director or executive officer, who is elected by board of directors, is the administrative arm responsible for implementing the decisions of the general meeting of shareholders and board of directors with the authority to bind the company.
- Statutory auditor(s) supervise(s) the management of the company's business and audits the company' accounts.

Limited company (*Yuhan Hoesa*)

- General meeting of members is the ultimate decision-making body which determines fundamental matters.
- Directors, who are elected at the general meeting of members, decide important matters related to daily operations of the company not specially reserved for determination by the general meeting of members by a majority vote.
- Director (in case a limited company has 1 director) or representative director who is elected at the general meeting of members (in case a limited company has two or more directors) is the administrative arm responsible for implementing the decisions of the general meeting of members and directors with authority to bind the company.
- Statutory auditor(s) (if any) supervise(s) the management of the company' business and audits the company's accounts.

Public disclosure of identity of directors, officers and shareholders

Joint-stock company (*Jusik Hoesa*)

Identity of representative director (or executive officer), directors and statutory auditors is publicly disclosed; identity of shareholders of private, non-listed companies is not publicly disclosed to non-shareholders.

Limited company (*Yuhan Hoesa*)

Identity of representative director (if any), directors and statutory auditors (if any) is publicly disclosed; identity of members is not publicly disclosed to non-members.

Minimum and maximum number of directors and shareholders

Joint-stock company (*Jusik Hoesa*)

There must be a minimum of 1 shareholder, and there is no maximum number. For directors, there must be a minimum of 3 directors, and there is no maximum number;

companies whose total paid-in capital is less than KRW1 billion may elect only 1 or 2 directors.

Limited company (*Yuhan Hoesa*)

There must be a minimum of 1 member, and there is no maximum number. For directors, there must be a minimum of 1 director, and there is no maximum number.

Minimum number of shareholders required

Joint-stock company (*Jusik Hoesa*)

1 shareholder is sufficient.

Limited company (*Yuhan Hoesa*)

1 member is sufficient.

Removal of directors or officers

Joint-stock company (*Jusik Hoesa*)

Removal of a director or statutory auditor requires a special resolution of the general meeting of shareholders (see Quorum requirements for shareholder and board meetings for quorum requirements for a special resolution).

Removal of the representative director requires a resolution of the board of directors. However, if the company intends to dismiss the representative director from the director position as well, it would require a special resolution of the general meeting of shareholders.

Limited company (*Yuhan Hoesa*)

Removal of director and statutory auditor (if any) requires a special resolution of the general meeting of members (see Quorum requirements for shareholder and board meetings for quorum requirements for a special resolution).

Required and optional officers

Joint-stock company (Jusik Hoesa)

A joint-stock company is required to appoint a statutory auditor (or compose an auditing committee), unless the paid-in capital of the company is less than KRW1 billion.

Limited company (*Yuhan Hoesa*)

A limited company is not required, but may appoint 1 or more statutory auditor(s).

Board meeting requirements

Joint-stock company (*Jusik Hoesa*)

No board of directors meeting requirements; however, a resolution of board of directors is required to hold the general meeting of shareholders. Written resolutions in lieu of a board of directors meeting are prohibited.

Limited company (*Yuhan Hoesa*)

Board of directors is not a required organization.

Quorum requirements for shareholder and board meetings

Joint-stock company (*Jusik Hoesa*)

For a general meeting of shareholders, an ordinary resolution must be adopted by a majority of the votes of the shareholders present at the meeting and 1/4 or more of the total number of the shares issued and outstanding; a special resolution (required for certain decisions specified in the KCC, such as the transfer of all or an important part of the company's business) must be adopted by 3/4 or more of the votes of the shareholders present at the meeting and 1/3 or more of the total number of shares issued and outstanding.

For board of directors meeting, resolutions must be adopted by the presence of a majority of the directors in office and the affirmative votes of a majority of directors present at the meeting.

Limited company (*Yuhan Hoesa*)

For a general meeting of members, an ordinary resolution must be adopted by presence of members holding a majority of votes and by majority of the votes present at the meeting; a special resolution (required for decisions specified in the KCC, such as the transfer of all or an important part of the company's business) must be adopted by majority of all the members and 3/4 or more of the total votes held by all the members.

If a limited company has 2 or more directors, directors shall make their decisions by a majority vote of the directors.

Must a bank account be opened prior to incorporation, and must the bank account be local?

Joint-stock company (*Jusik Hoesa*)

Opening a bank account is not permitted prior to incorporation.

Limited company (*Yuhan Hoesa*)

Opening a bank account is not permitted prior to incorporation.

Auditing of local financials. If so, must the auditor be located in local jurisdiction,

Joint-stock company (*Jusik Hoesa*)

An external audit is required for:

and must the company's books be kept locally?

- Publicly listed companies, or companies that will be publicly listed within that fiscal year or the following fiscal year
- Joint-stock companies with total assets or annual sales revenue of at least KRW50 billion or
- Joint-stock companies that meet 2 or more of the following thresholds
  - Total assets of at least KRW12 billion
  - Total debt of at least KRW7 billion
  - Total annual sales revenue of at least KRW10 billion
  - At least 100 employees

An external auditor should be licensed in local jurisdiction.

Company's books should be kept with the company.

Limited company (*Yuhan Hoesa*)

An external audit is required for:

- Limited companies with total assets or annual sales revenue of at least KRW50 billion, or
- Limited companies that meet three or more of the following thresholds:
  - Total assets of at least KRW12 billion
  - Total debt of at least KRW7 billion
  - Total annual sales revenue of at least KRW10 billion
  - At least 100 employees
  - At least 50 members
- Companies that changed their corporate structure from a joint-stock company to a limited company after November 1, 2019 are subject to the external audit conditions that are applicable to joint-stock companies for 5 years after registering their change of corporate structure.

Requirement regarding par value of stock

Joint-stock company (*Jusik Hoesa*)

Minimum capital per share is KRW100; shares without par value may be issued, in which case shares with par value cannot be issued.

Limited company (*Yuhan Hoesa*)

Minimum capital per unit is KRW100.

Joint-stock company (*Jusik Hoesa*)

Increasing of capitalization if needed

Permitted without amendment of AOI if increase is within the amount of authorized capital stipulated in the AOI; if in excess of authorized capital, amendment of AOI is required which requires a special resolution of the general meeting of shareholders (see Quorum Requirements for Shareholder and Board Meetings for quorum requirements for a special resolution). In both cases, unless the company's AOI designate the general meeting of shareholders as having the authority of authorization, authorization of board of directors and court registration is required.

Limited company (*Yuhan Hoesa*)

Effectuated by amending AOI which requires special resolution of the general meeting of members (see Quorum Requirements for Shareholder and Board Meetings for quorum requirements for a special resolution); court registration is required.

Summary of how funds can be repatriated from your jurisdiction (ie dividends or redemption)

Joint-stock company (*Jusik Hoesa*)

Funds can be repatriated abroad from Korea via dividends or redemption; however, in case of a foreign investor, maintaining an investment of at least KRW100 million within Korea for each foreign investor is required to be qualified for benefits under the FIPL.

Limited company (*Yuhan Hoesa*)

Funds can be repatriated abroad from Korea via dividends or redemption; however, in case of a foreign investor, maintaining an investment of at least KRW100 million within Korea for each foreign investor is required to be qualified for benefits under the FIPL.

Restrictions on transferability of shares

Joint-stock company (*Jusik Hoesa*)

Shares are freely transferrable; however, AOI may provide that transfer of shares is subject to approval from the board of directors.

Limited company (*Yuhan Hoesa*)

Units are freely transferrable unless otherwise provided in AOI.

Obtaining a name and naming requirements

Joint-stock company (*Jusik Hoesa*)

Registration of a trade name may be restricted within a given district if a corporation with the same trade name (in Korean) is already registered within such district.

Limited company (*Yuhan Hoesa*)

Registration of a trade name may be restricted within a given district if a corporation with the same trade name (in Korean) is already registered within such district.

Summary of "know your client" requirements

Joint-stock company (*Jusik Hoesa*)

The bank may require information regarding the member or the shareholder information of the shareholder and supporting documents for its KYC process and Korean banking law compliance purposes (*eg*, shareholders registry of the shareholder). The information required by the bank is subject to the bank's internal policy and may differ among banks.

Limited company (*Yuhan Hoesa*)

The bank may require information regarding the member or the shareholder information of the member and supporting documents for its KYC process and Korean banking law compliance purposes (*eg*, shareholders registry of the member). The information required by the bank is subject to the bank's internal policy and may differ among banks.

Approval requirements for amending charter document

Joint-stock company (*Jusik Hoesa*)

Amendment of AOI requires a special resolution of the general meeting of shareholders (see Quorum requirements for shareholder and moard meetings for quorum requirements for a special resolution).

Limited company (*Yuhan Hoesa*)

Amendment of AOI requires a special resolution of the general meeting of members (see Quorum requirements for shareholder and moard meetings for quorum requirements for a special resolution).

Licenses required to conduct business in jurisdiction

Joint-stock company (*Jusik Hoesa*)

No license is required for incorporation; however, specific license or registration may be required to conduct business in particular business sectors. The types of business license or required registration will depend on the nature and actual features of the intended businesses.

Limited company (*Yuhan Hoesa*)

No license is required for incorporation; however, specific license or registration may be required to conduct business in particular business sectors. The types of business license or required registration will depend on the nature and actual features of the intended businesses.

Process of purchasing and utilizing a shelf company

Joint-stock company (*Jusik Hoesa*)

Shelf companies can be purchased from a third party by purchasing shares in such shelf companies.

Limited company (*Yuhan Hoesa*)

Shelf companies can be purchased from a third party by purchasing units in such shelf companies.

For more information

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About us

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