

GUIDE TO FOREIGNER'S LAND ACQUISITION IN KOREA

November 2009

Invest KOREA

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I. LAND ACQUISITION SYSTEM FOR FOREIGNERS

1. Overview

- In the period prior to 1998, foreigners' acquisition of land in this country was subject to various regulations, such as permission. Thus, land ownership by foreigners in the country was very limited. However, the situation changed dramatically with the opening of the domestic real estate market in June 1998. Since then, the amount of land acquisition by foreigners has increased rapidly.
- From the 1998 up to 2001, foreigners' land acquisition increased at an annual rate of more than 30%, partly under the impact of an increase in the amount of real estate for sale associated with the financial crisis that hit the country in 1997. In 2002 and 2003, the rate of increase slowed down noticeably, while in the period following 2004, land acquisition by foreigners has increased modestly.

Status of Foreigners' Land Acquisition

	2003	2004	2005	2006	2007	2008
Number of cases	23,001	25,505	28,635	33,801	37,495	40,998
Amount of land acquired (1,000 m ²)	148,540	157,747	169,520	180,305	198,162	210,354
Increase (%)	4.0	6.2	7.5	6.4	9.9	6.2

2. Relevant Laws and Regulations

- **Foreigner's Land Acquisition Act (FLAA)** stipulates general matters related to land acquisition by foreigners in Korea.
- **Foreign Investment Promotion Act (FIPA)** stipulates matters regarding tax reduction or exemption in cases where land acquisition by foreigners satisfy the criteria of foreign direct investment (FDI), or matters regarding

the benefits provided to foreigners who acquire national or public properties (including land and factories).

- **Foreign Exchange Transactions Act (FETA)** stipulates matters regarding the inflow/outflow of foreign currencies generated through land acquisition by foreigners

	FLAA	FIPA	FETA
Subject	Foreign nationals (individuals, corporations of foreign countries, Korean corporations of whose shares 50% or more are owned by foreign nationals) * Excluding those with permanent residence	Foreign nationals (individuals, corporations of foreign countries) * Including those with permanent residence	Non-residents * A person with the right to permanent residence foreign country is deemed to be a non-resident national not subject to the obligation of a real estate acquisition report.
Contents	Report is required in cases where a foreign national acquires land in Korea (Report on Land Acquisition)	FDI notification is required in cases where investment by a foreign national falls into the definition of FDI provided under the FIPA (FDI Notification)	Report is required in cases where a person who does not reside in Korea acquires real estate or related rights to such property (Report on Real Estate Acquisition)
Place and Period of Notification/ Report	Land Registration Division of the competent Si/Gun/Gu office Within 60 days from the agreement date of the contract	Head office/branches of foreign exchange banks, Invest KOREA Prior to remittance of investment capital	Head office/ branches of foreign exchange banks The Bank of Korea (in cases of funds generated in Korea) When withdrawing funds for real estate acquisition

- The Foreigner's Land Acquisition Act (FLAA) pertains to land ownership. Therefore, under the FLAA, foreigners' acquisition of real estate (such as a building) other than land and such real estate related rights (e.g. jeonse or mortgage) is not subject to report or permission.
- In general, in Korea, land and building are not sold separately. Thus, if any land is purchased with the building, it is subject to report or

permission under FLAA.

- However, the Foreign Exchange Transactions Act (FETA) requires that foreigners' acquisition of real estate (like a building) other than land and such real estate-related rights (e.g. jeonse or mortgage) shall be reported to the relevant authorities.

3. Foreigner's Land Acquisition Act (FLAA)

- Foreigners can acquire land in Korea by making a report, with the exception of land subject to prior permission.
 - Information on whether the land is subject to report or permission can be obtained from the Land Registration Divisions of the relevant *Si/Gun/Gu* offices.
- There are two types of reports: The report on land acquisition and the report on continuous holding of land. In the case of the report on land acquisition, the required documents may differ, depending on the reason for the acquisition (i.e. contract/inheritance/auction/exercise of redemptive right/the court's final judgment/merger between corporations).
- In the case of obtaining permission of land acquisition, the application needs to be completed prior to the signing of the sales contract (unlike report on land acquisition).

■ Definition of a Foreign National

- Under the FLAA, a foreign national is defined as an individual, a corporation or a group as follows: (Article 2 of the FLAA)
 - Individual

An individual is a person who does not possess Korean nationality. In cases where a Korean national has obtained a foreign nationality without notifying the loss of Korean nationality, such person shall be regarded

as a foreign national from the date on which the foreign nationality was obtained. (Article 15 of the Nationality Act)

- Corporation or group

1. A corporation or a group that was established in accordance with foreign laws
2. A corporation or a group that was established under Korean laws, but one for which more than half of its employees, members, or staff - such as the persons in charge of business operation or directors - do not possess Korean nationality
3. A corporation or a group that was established under Korean laws, but one for which more than half of the capital stocks or voting rights are owned by an individual who does not possess Korean nationality; or a corporation or group established in accordance with foreign laws

- Overseas Korean national

Since an "overseas Korean national" possessing permanent residence in a foreign country is a Korean national, such person is not subject to the FLAA; thus report on land acquisition is not required.

■ Land Acquisition by Report

● Land acquisition by contract

- Subject of report: Land acquired by a contractual agreement (excluding land subject to permission)

* In cases where a real estate transaction report is made pursuant to Article 27 of the Business Affairs of Licensed Real Estate Agents and the Reporting of Real Estate Transactions Act, or a house transaction report is made pursuant to Article 80-2 of the Housing Act, such cases will be regarded as having the same effect as a foreigner's land acquisition report. (This shall be applied to real estate contracts signed on June 27, 2009 or thereafter).

- Period: Within 60 days from the agreement date of the contract.

- Place: Land Registration Division of the competent Si/Gun/Gu office.
 - Required documents:
 - Certified copy of land registration;
 - Land acquisition contract;
 - Identification (When report is made through a proxy, the IDs of both the proxy and the foreigner acquiring land are required)
 - Processing period: On-the-spot (less than 3 hours)
- Land acquisition by causes other than a contract
 - Causes of acquisition other than by contract: Inheritance, auction, exercise of redemptive right, final judgment of a court, or merger between corporations.
 - Period: Within six months from the acquisition date.

In cases of...

 - * Inheritance: Within 6 months from the date of predecessor's demise
 - * Auction: Within 6 months from the date of a successful bid
 - * Redemptive right: Within 6 months from the date of signing a repurchase agreement or making a deposit for repurchase
 - * Final judgment: Within 6 months from the date of the final judgment of a court
 - * Merger between corporations: Within 6 months from the date of the signing the merger agreement
 - Place: Land Registration Division of the competent Si/Gun/Gu office
 - Required documents:
 - Certified copy of land registration;
 - Identification;
 - Document verifying the cause of acquisition other than by contract

In cases of...

- * Inheritance: Document verifying the identity of the inheritor
- * Auction: Notice of a successful bid
- * Redemptive right: Document verifying repurchase (repurchase agreement)

- * Judicial decision: Final judgment of a court
 - * Merger between corporations: Document verifying the merger
- Processing period: On-the-spot (less than 3 hours)
- Continuous holding of land
 - Subject of report: A Korean national or a Korean corporation intending to keep land after changing its nationality to “foreign national” as stipulated in the FLAA
 - Period: Within 6 months of changing one’s nationality
 - Place: Land Registration Division of the competent *Si/Gun/Gu* office
 - Required documents:
 - Certified copy of land registration;
 - Document verifying change of nationality;
 - Identification
 - Processing period: On-the-spot (less than 3 hours)

■ Land Acquisition Subject to Prior Permission

- The Foreigner’s Land Acquisition Act (FLAA) requires that foreign nationals intending to make a real estate transaction involving land in military installation reservations, naval bases, military air base areas, cultural property protection zones, ecosystem/landscape preservation districts, and ecosystem conservation areas shall obtain prior permission from the relevant authorities. A permission obtained by a foreigner concerning a real estate transaction involving land in a military installation reservation shall be regarded as permission for a foreigner’s land acquisition.
- Under the amendment made to the Enforcement Decree of the Framework Act on the Regulation of Land Use on January 31, 2008, foreign nationals (including corporations) previously allowed to acquire land in a zone where the land transaction is permitted by only making a report now shall be obliged to obtain permission.

- The following are subject to the mandatory obligation to obtain permission: a land parcel exceeding 180m² in an urban district; a land parcel exceeding 200m² in a commercial district; a land parcel exceeding 660m² in an industrial district; a land parcel exceeding 100m² in a green area district; a land parcel exceeding 90m² in an area not designated for a specific use in an urban district.
- ※ In cases of non-urban district, land parcels exceeding 250m² are also subject to the mandatory obligation to obtain permission. However, in cases of farmland and forest land in non urban district, land parcels exceeding 500m² and 1,000m² are subject to obtain permission respectively.
- A land parcel purchased with permission shall be used only for the permitted purpose for a specified period (e.g. 2 years for agricultural purpose; 3 years for a residential purpose; 4 years for a development project).
- ※ A person who has signed a land acquisition contract without permission of land transaction contract or permission of a change in land use, or who has obtained permission using an illegal method shall be subject to imprisonment for not longer than two years or a fine amounting to 30% or lower of the land price (based on the individual official land price at the time of signing the contract).
- Period: Prior to the contractual agreement
- Place: Land Registration Division of the competent *Si/Gun/Gu* office
- Required documents:
 - Certified copy of land registration
 - Land acquisition contract concluded by both parties
 - Identification
- Processing period: Within 15 days from the filing date of the permission
 - * The head of *Si/Gun/Gu* office shall grant permission on the condition that the acquisition of land located in the said designated areas does not cause any inconveniences in such areas (Article 4(3) of the FLAA).

- It is recommended for foreigners involved in the process of acquiring land to check whether the land parcel is subject to report or prior permission, as the two require different procedures as regards land acquisition.
- It shall be importantly noted that in cases where a foreigner has signed a land acquisition contract without obtaining permission, based on the misunderstanding that it involves a land parcel for which only the making of a report to the relevant authorities is required, the contract shall be rendered invalid, and he/she shall be punishable by imprisonment or a fine.
- ※ More details of the foregoing can be checked through Confirmation Letter on Land Use Plan issued by the competent *Si/Gun/Gu* office or through the Land Registration division of the competent *Si/Gun/Gu* office.

[Sample]

(Front side)

Application for Confirmation on Land Use Plan					Processing Period	
					1 day	
Applicant	Name		Address			
			Phone number			
Relevant land parcel		Location of Land	Land lot number	Land category	Size (m ²)	
	1					
	2					
	3					
	4					
	5					
	6					
	7					
	8					
	9					
	10					
Matters to be confirmed	1. Contents concerning the designation of zones and districts (including matters stipulated in the subparagraphs of Article 9 (4) of the Enforcement Decree of the Framework Act on the Regulation of Land Use) () 2. Contents concerning activities which are restricted in the designated zones and districts () ※ No. of copies of the confirmation letter: () pages					
To the <i>Do</i> Governor or the Head of the relevant Si/Gun/Gu , I hereby apply for confirmation on the current Land Use Plan concerning the aforesaid land parcel(s) in accordance with Article 10 (1) of the Framework Act on the Regulation of Land Use. Date: Year Month Day Applicant: _____ (Signature or seal)				Affix revenue stamp here. The amount of the revenue stamp (fixed by municipal ordinance)		

(Reverse side)

Notes	<ol style="list-style-type: none"> 1. The Confirmation Letter on Land Use Plan only explains matters concerning the designation of zones and districts for a specific purpose and activities which are restricted in these zones and districts under the subparagraphs of Article 5 of the Framework Act on the Regulation of Land Use as well as matters stipulated in Article 9 (4) of the Enforcement Decree of the said Act; however, this does not confirm everything associated with zones and districts. 2. There are cases for which the relevant topographic maps are not drawn up and not put on public notice under Article 8 (2) of the Framework Act on the Regulation of Land Use. (For example, certain zones or districts that are designated under the relevant laws or municipal ordinances, such as the railroad protection zones under Article 45 of the Railroad Safety Act, or the school environment/hygiene purification zones under Article 5 of the School Health Act) In these cases, it may not be able to confirm the designation of such zones or districts. 3. There are cases in which it is difficult to put on public notice of the topographical maps concerning the designation of zones and districts under Article 8 (3) of the Framework Act on the Regulation of Land Use. When such cases are falling under subparagraphs of Article 7 (4) of the Enforcement Decree of the Framework Act on the Regulation of Land Use, it is not possible to confirm the designation of zones and districts prior to public notice of the relevant topographical maps. 4. The Confirmation Letter on Land Use Plan provides you with information on (A): <i>the designation of zones and districts</i> or (B): <i>activities which are restricted in these zones and districts</i>. When applying for information, please be sure to clarify what you want, i.e. (A) only or (B) only, or (A) and (B) together. <p>※ Please note that the issuance fee may increase depending on the number of copies of information you apply for.</p> <p>5. Please also note that even if plural land parcels are stated in a single application for confirmation on land use plan, the confirmation letters will be issued separately and their issuance fees will also be calculated separately.</p>
This application will be processed as follows.	
Applicant	Relevant authority Relevant Si/Gun/Gu office (department in charge of document issuance)
<div data-bbox="268 1400 609 1451">Filling in the application</div> <div data-bbox="268 1624 609 1675">Issuance of the confirmation letter</div>	<div data-bbox="837 1400 1118 1451">Submission</div> <div data-bbox="837 1512 1118 1563">Review</div> <div data-bbox="837 1624 1118 1675">Approval</div>

[Sample]

(Front side)

Confirmation Letter on Land Use Plan				Processing Period	
				1 day	
Applicant	Name		Address		
			Phone number		
Relevant land parcel	Location of Land		Land lot number	Land category	Size (m ²)
Designation as a zone or district for a specific purpose	Under the National Land Planning and Utilization Act				
	Under other laws or regulations				
Matters concerning the subparagraphs of Article 9 (4) of the Enforcement Decree of the Framework Act on the Regulation of Land Use					
Relevant map					Legend
					Reduced scale /
<p>The current Land Use Plan concerning the land parcels stated in your application is confirmed in accordance with Article 10 (1) of the Framework Act on the Regulation of Land Use.</p> <p>Date: Year Month Day</p> <p>The Do Governor or the Head of the relevant Si/Gun/Gu</p> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Official seal</div>					Affix the revenue stamp here.
					The amount of the revenue stamp (fixed by municipal ordinance)

(Reverse side)

Notes	<ol style="list-style-type: none"> 1. The Confirmation Letter on Land Use Plan only explains matters concerning the designation of zones and districts for a specific purpose and activities which are restricted in these zones and districts under the subparagraphs of Article 5 of the Framework Act on the Regulation of Land Use as well as matters stipulated in Article 9 (4) of the Enforcement Decree of the said Act; however, this does not confirm everything associated with zones and districts. 2. There are cases for which the relevant topographic maps are not drawn up and not put on public notice under Article 8 (2) of the Framework Act on the Regulation of Land Use. (For example, certain zones or districts that are designated under the relevant laws or municipal ordinances, such as the railroad protection zones under Article 45 of the Railroad Safety Act, or the school environment/hygiene purification zones under Article 5 of the School Health Act) In these cases, it may not be able to confirm the designation of such zones or districts. 3. There are cases in which it is difficult to put on public notice of the topographical maps concerning the designation of zones and districts under Article 8 (3) of the Framework Act on the Regulation of Land Use. When such cases are falling under subparagraphs of Article 7 (4) of the Enforcement Decree of the Framework Act on the Regulation of Land Use, it is not possible to confirm the designation of zones and districts prior to public notice of the relevant topographical maps. 4. "Relevant map", which accompanies the confirmation letter, is just for reference concerning the designation of the land parcel as a zone or district. Thus, it has no legal effect nor can it be used for a survey or other purposes. 5. Information on activities which are restricted in a zone, district, etc. is provided as stipulated in the relevant laws, regulations or municipal ordinances for the applicant's convenience only upon request. Please note that it does not mean that all development activities in the relevant land parcel(s), other than those which are restricted, are legally guaranteed.
Activities restricted in zones, districts, etc.	<p>※ Information on activities which are restricted in a zone, district, etc. is provided in the confirmation letter only upon the applicant's request. Please be sure to check a land use plan at the relevant department if the relevant land parcel belongs to a zoning plan area under the National Land Planning and Utilization Act.</p>

I. LAND ACQUISITION SYSTEM FOR FOREIGNERS

[Sample]

(Front side)

Application for Permission of Land Transaction Contract				* Si/Gun/Gu		Processing Period		
※ Please be sure to read the reverse side before filling in this form. Please leave sections with * mark blank.				* Classification		Ownership/Superficies		
				* Submission		Date: . . . (No.:)		
				* Processed		Date: . . . (No.:)		
Purchaser	①Name			②Resident registration number (Corporation registration number)		-		
	③Address	(Phone:)						
Seller	④Name			⑤Resident registration number (Corporation registration number)		-		
	⑥Address	(Phone :)						
⑦ Types of right applying for permission								
Land	Number	⑧Location of Land	⑨Land lot number	Land category		⑫Size (㎡)	⑬Zone/district designated	
				⑩Legal	⑪Actual			
	1 2 3							
	⑮Status of rights established							
Fixtures on land	Number	⑮Type		⑰Contents of fixtures		Rights for transfer or establishment		
						⑱Type		
	1 2 3							
Transfer or establishment of rights	Number	⑲Transfer or establishment of ownership		Other rights		Remarks		
				Duration		Land rent (annual amount)		
	1 2 3							
Expected contract amount	Number	Land				Fixture		Total expected amount (Won)
		Land category (Actual)	Size (㎡)	Unit price (Won/㎡)	Expected amount (Won)	Type	Expected amount (Won)	
	1 2 3							
I hereby apply for the permission of land transaction contract under Article 118 (3) of the National Land Planning and Utilization Act and Article 117 (1) of the Enforcement Decree of the said Act. Date: Year Month Day Purchaser: _____ (Signature or seal) Seller: _____ (Signature or seal)								
Handling charge	N/A							
Required documents	Documents to be provided by the Applicant (representatives)				Matters to be checked by the official in charge (Documents to be submitted directly by the applicant when he/she does not agree with the check conducted by the official in charge)			
	1. Land Use Plan containing matters concerning subparagraphs of Article 21 (1) of the Enforcement Regulations of the National Land Planning and Utilization Act (or Agricultural Management Plan under Article 8 (2) of the Farmland Act in cases of farmland subject to certificate of qualification of farmland acquisition pursuant to Article 8 of the said Acts). 2. Land acquisition funds supply plan in accordance with the form stated in Attachment 12-2 of the Enforcement Regulations of the National Land Planning and Utilization Act.				A certified copy of the Land Registration			
I, the undersigned, agree that, concerning the processing of the matter stated in this application, the above-mentioned official in charge may check the relevant matters through sharing administrative information under Article 21 (1) of the Electronic Government Act.								
Applicant (Representative): _____ (Signature or seal)								

(Reverse side)

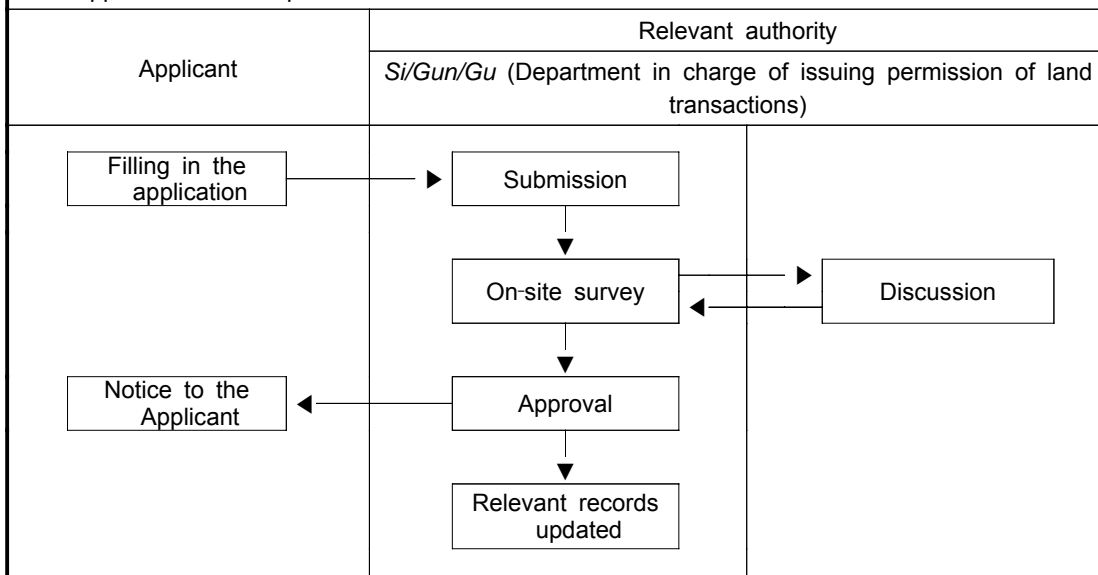
Notes

1. Any land transaction contract signed without obtaining permission under Article 118 (1) of the National Land Planning and Utilization Act shall be deemed invalid.
2. Under Article 141 (6) of the National Land Planning and Utilization Act, a person who has signed a land transaction contract without permission of land transaction contract or permission of a change in land use, or obtained permission using an illegal method shall be subject to imprisonment for not longer than two years or fine amounting to a 30% or lower of the land price (based on the individual official land price at the time of the contract).
3. A person using a land parcel acquired with land acquisition permission under Article 124-2 (2) of the National Land Planning and Utilization Act outside the purpose stated in the permission shall be subject to penalty charge not exceeding 10% of the land acquisition price.

Tips

1. In ① and ④, in cases of corporation, please give the name and address of corporation, and the name of the representative.
2. In ⑩ and ⑪, please choose proper type (e.g.) rice paddy/crop field/vacant land/forest, etc.
3. In ⑰, in cases of a building or a man-made structure, please state the total floor space, structure and service life, or in cases of an area planted with trees, please state the species, number and age of the trees planted.
4. In ⑱ and ⑲, please state the types and the contents of the fixtures whose rights are transferred or established.
5. In ㉔, please state the reason for the registration (e.g.) sale/ exchange, etc.

This application will be processed as follows :



[Sample]

No. _____						
Permission of Land Transaction Contract						
Date of application submission				Serial No.		
Purchaser	Name (in cases of corporation, the names of corporation and representative)			Resident registration number (Corporation registration number)	-	
Purchaser	Address	(Phone : _____)				
Seller	Name (in cases of corporation, the names of corporation and representative)			Resident registration number (Corporation registration number)	-	
Seller	Address	(Phone : _____)				
Matters concerning the permission	Relevant rights				Expected amount (Won) :	
	Number	Location of Land	Land category		Size(m ²)	Purpose of use
			Legal	Actual		
Fixtures	Type		Contents		Expected amount (Won)	
<p>The permission of land transaction contract for which you applied is hereby granted as per Article 118 (4) of the National Land Planning and Utilization Act.</p> <p style="text-align: center;">Date: Year Month Day</p> <p style="text-align: center;">The Head of the relevant Si/Gun/Gu [Seal]</p>						
<p><u>Note</u></p> <p>The land acquired with the land transaction contract permission shall be used directly by the person who acquired the permission. If it is not used as per the purpose of use stated in this permission, penalty charge amounting to not higher than 10% of the land purchase price shall be imposed as per Article 124-2 (2) of the National Land Planning and Utilization Act.</p>						

4. Foreign Investment Promotion Act (FIPA)

- In the case where land in Korea is acquired for commercial purposes (e.g., office building, factory site, rental housing), report on land acquisition has to be made after FDI company registration.
- In the case where a foreign national or foreign company owns 50% or more of the shares of a foreign-invested company, the company shall make a report on land acquisition since the company is considered a foreign national according to the FLAA. However, if the foreign national or company owns less than 50% of the shares of a foreign-invested company, a report on land acquisition is not required since the company is not regarded as a foreign national.

5. Foreign Exchange Transactions Act (FETA)

- Foreign Exchange Transactions Act (FETA) applies to real estate trade in cases where such trade is accompanied with the inflow/outflow of foreign currencies.
- Details of FETA related to real estate trade are described later in Chapter III.

6. Real Estate Related Regulations in Korea

■ Regulations Related to Land Acquisition

- According to Article 117 of the Act on the Utilization and Management of the National Territory, acquisition of land located in the transaction permission zone requires permission from the head of the competent *Si/Gun/Gu* office prior to the contractual agreement.
- According to the Farmland Act, there are no limitations on the area of

farmland used for direct farming by oneself that can be owned. In that case, the person should obtain a “Certificate for Farmland Acquisition”. This certificate is only issued in the case where a person acquiring the farmland is actually operating agricultural activities on the said land. Thus, it is, in principal, impossible for a foreign national who is not residing in Korea to acquire farmland.

■ Regulations Related to Land Use

- Land in Korea is divided into four areas of specific use according to the National Land Use Planning (urban areas; control zones; agricultural and forest areas; natural environment conservation areas) and certain restrictions are imposed on activities within the individual zones of specific use. (National Land Planning and Utilization Act)
 - Restrictions are imposed on activities within land parcels designated as specific-use areas under the National Land Planning and Utilization Act and the Building Act.
 - In addition, in order to alleviate the problems caused by the over-concentration of population and industrial facilities in the Seoul metropolitan area, the area is divided into three regions: (1) over-concentration control region, (2) growth management region, and (3) nature preservation region.
In the said regions,
 - 1) Activities in each region are limited;
 - 2) In cases where a person desires to construct office buildings, commercial buildings, or public office buildings in the over-concentration control region, such person shall pay the over-concentration charge;
 - 3) The allowable scale of construction or expansion for factories and schools is limited as stipulated in the said Act.
- A person intending to acquire land in Korea can find out the restrictions imposed on such land from the “Confirmation Letter on Land Use Plan”

issued by the competent *Si/Gun/Gu* office that has jurisdiction over the said land.

■ Regulations Related to Land Development

- In the case where development businesses, such as residential land development and industrial complex development, under the Restitution of Development Gains Act are executed, the developer shall pay 25% of the amount of the gains made from such development.

II. PROCEDURES FOR LAND ACQUISITION BY FOREIGNERS

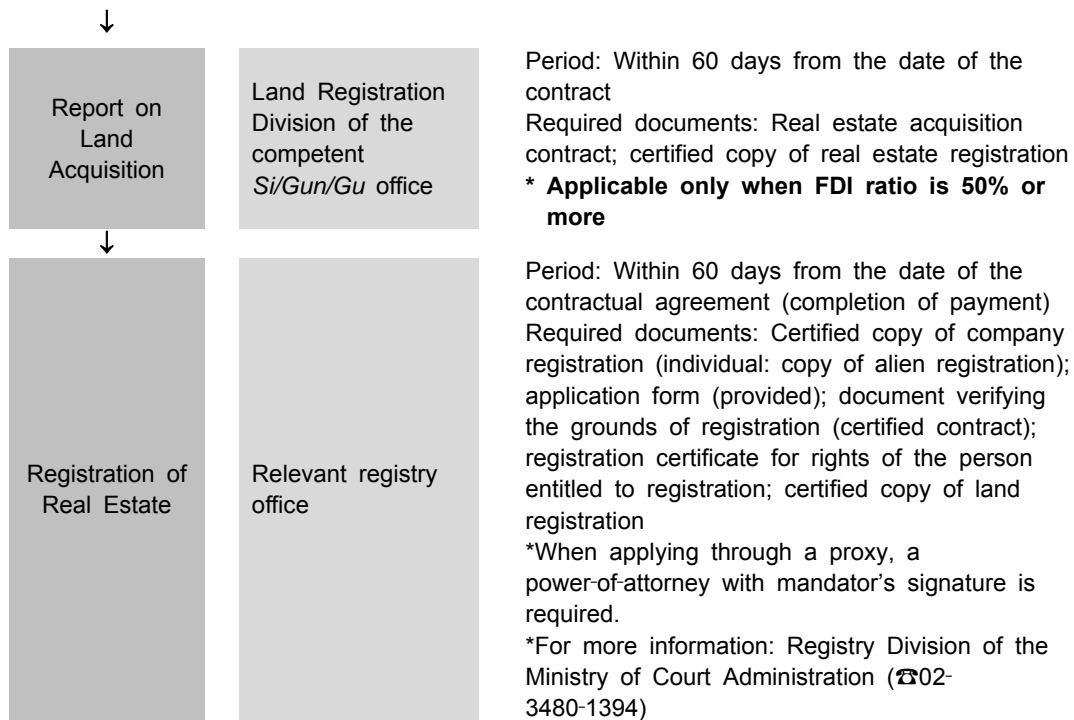
- In the case where a foreign national acquires land in Korea, laws and procedures applying to such acquisition are different in accordance with purposes of acquisition, whether the foreign national resides in Korea or not, and whether such a national is an individual or a corporation.
- In the case where a foreign national acquires real estate for commercial purposes (e.g., leasing real estate), the foreign national should file FDI notification pursuant to FIPA in addition to report on land acquisition pursuant to the FLAA. Also, if a foreign national is a non-resident as stipulated in FETA, he/she should additionally make a report on real estate acquisition.

1. FDI Company

- In the case where a foreign national establishes an FDI company pursuant to FIPA to engage in profit-making activities, and acquires real estate for commercial purposes (e.g., purchase of commercial building, factory site, etc.) under the name of the same FDI company, then the acquisition process is as follows:
 - ※ When opening a branch in Korea, a foreign national can acquire real estate under the name of such branch after filing a “Branch Establishment Notification” and “Branch Registration” (FIPA does not apply in this case)
- Applicable laws: Foreigner’s Land Acquisition Act (FLAA), Foreign Investment Promotion Act (FIPA), Registration of Real Estate Act

Procedure	Place	Matters to be Noted
FDI Notification	Head office/ branches of foreign exchange banks · Invest KOREA (☎ 3460-7543)	Period: Prior to remitting investment capital Person: Foreign investor or proxy (when applying through a proxy, a power-of-attorney is required) Required documents: FDI notification form (provided) Processing period: On-the-spot (issuance of notification certificate)
↓		
Business Establishment	Related service provided by Invest KOREA (☎3497-1057)	
↓		
Business Registration	District tax office · Invest KOREA (☎3497-1059)	Period: In the case of a corporation, the registration is usually made simultaneously with the establishment of the corporation; in the case of a personal business, the registration is made within 20 days after starting the business. However, in cases where the commercial real estate (e.g., building) is constructed or purchased, the registration should be made before the contractual agreement or the ownership transfer of such real estate in order to receive value-added tax reimbursement. Required documents: Certified copy of company registration (company) or copy of FDI notification (individual business)
↓		
FDI Company Registration	The same institution where FDI notification was made	Period: Within 30 days after the payment required is completed Required documents: Certificate of foreign currency purchase; certified copy of company registration (company) or business registration (individual business)
↓		
Real Estate Acquisition Contract & Payment		

II. PROCEDURES FOR LAND ACQUISITION BY FOREIGNERS



2. Resident Foreign National

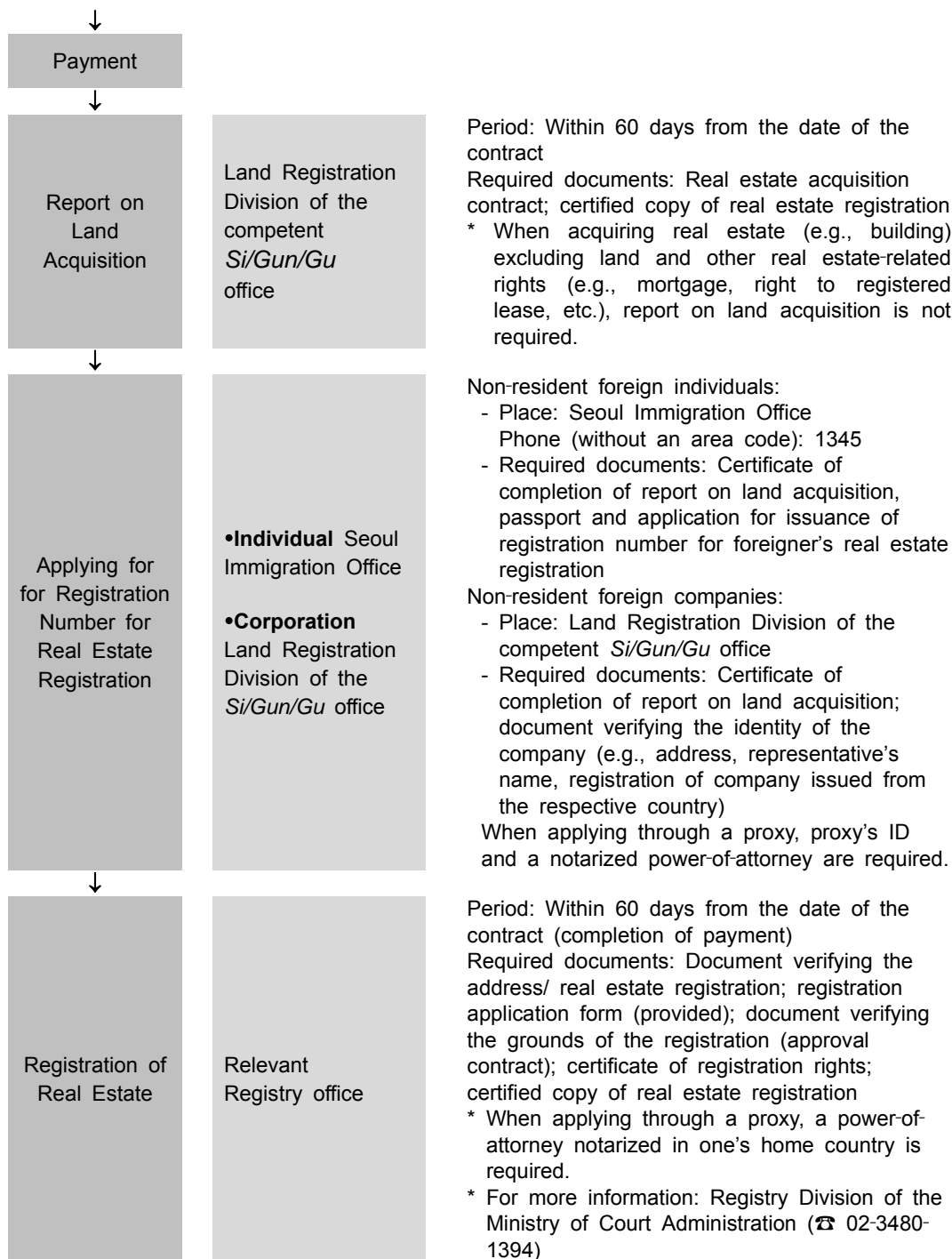
- When a foreign national residing in Korea acquires real estate for residential purposes (e.g., apartment), he/she is not subject to report under FETA; he/she simply needs to make a report on land acquisition to the relevant authority within 60 days from the date of the sales contract agreement, and then file a “Registration of Transfer of Ownership”.
- Applicable laws: FLAA, Registration of Real Estate Act

Procedure	Place	Matters to be Noted
Real Estate Acquisition Contract & Payment		
↓		
Report on Land Acquisition	Land Registration Division of the competent <i>Si/Gun/Gu</i> office	Period: Within 60 days from the date of the contract Required documents: Real estate acquisition contract; certified copy of real estate registration
↓		
Registration of Real Estate	Relevant Registry Office	Period: Within 60 days from the date of the contract (completion of payment) Required documents: Copy of alien registration (branch: certified copy of branch registration); registration application form (provided); document verifying the grounds of the registration (approval contract); certificate of registration concerning the right of the person entitled to registration; certified copy of real estate registration * When applying through a proxy, a power-of-attorney with mandator's signature is required. * For more information: Registry Division of the Ministry of Court Administration (☎ 02-3480-1394)

3. Non-Resident Foreign National

- In principle, a foreign national not residing in Korea intending to acquire real estate in Korea should make a “Report on Real Estate Acquisition” pursuant to the FETA prior to remitting the funds for its acquisition (Article 9-42 of the Regulations of Foreign Exchange Transactions). Then, if the real estate concerned is a parcel of land, the foreign national should make a “Report on Land Acquisition” under the FLAA to the relevant *Si/Gun/Gu* office and take the required procedures for the registration of transfer of ownership.
- ※ Where a non-resident foreign national acquires real estate with funds generated within Korea, this should be reported to the Governor of the Bank of Korea.
- Applicable laws: FLAA, FETA, Registration of Real Estate Act

Procedure	Place	Matters to be Noted
Real Estate Acquisition Contract ↓ Report on Real Estate Acquisition	Head office/ branches of foreign exchange banks	<p>Period: When withdrawing funds for real estate acquisition</p> <p>Required documents: Real estate acquisition contract; written appraisal of real estate or certificate of declared value of the real estate; certified copy of real estate registration</p> <p>Notice:</p> <ul style="list-style-type: none"> - Report should be made when applying for both the real estate acquisition and real estate-related rights (e.g., lease/real rights). - When making an overseas remittance of funds for disposal of real estate, report on real estate acquisition should be submitted to the bank. - Regarding eligibility of report exemption, see chapter III



4. Overseas Korean National

- Since those with permanent residence of a foreign country are still Korean nationals, they are not subject to “Report on Land Acquisition” when acquiring land in Korea. They are also excluded from “Report on Real Estate Acquisition” pursuant to FETA whether they reside in Korea or not.
- In the case where a Korean national abroad has a Korean registration number, he/she can take the same procedures as Korean nationals when applying for real estate registration. However, in cases where such number has been cancelled, he/she needs to obtain a registration number for real estate registration”
- Applicable laws: Registration of Real Estate Act
- ※ Since, unlike Korean nationals abroad, foreign citizens are considered foreign nationals, they should make a “Report on Land Acquisition” pursuant to the FLAA and “Report on Real Estate Acquisition” pursuant to FETA.

Procedure	Place	Matters to be Noted
Real Estate Acquisition Contract		
↓		
Applying for for Registration Number for Real Estate Registration	Registry Division of Seoul Central District Court (☎02-530-1872)	Required documents: Document verifying the address or document verifying that a person resides in a foreign country
↓		

Registration of Real Estate	Relevant Registry office	<p>Period: Within 60 days from the date of the contract agreement (completion of payment)</p> <p>Required documents: Document verifying address or document verifying that a person resides in a foreign country; registration application form (provided); document verifying the grounds of the registration (approval contract); certificate of registration concerning the right of the person entitled to the registration; certified copy of real estate registration</p> <p>* When applying through a proxy, a power-of-attorney with mandator's signature is required.</p> <p>* For more information: Registry Division of the Ministry of Court Administration (☎02-3480-1394)</p>
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※ Reference: Registration Number for Real Estate Registration

1. What is a Registration Number for Real Estate Registration?

- 1) When applying for real estate registration, a registration number should be issued before applying for the registration. (Article 40 of the Registration of Real Estate Act)
- 2) Registration Number System and Relevant Laws and Acts
 - *Korean Nationals and Companies*: The number is replaced with the resident registration number, or with the business registration number (Article 41 of the said Act)
 - ※ The business registration number is issued at the competent registry office when registering the establishment of a company
 - *Resident Foreign Nationals*: The number is replaced with the alien registration number
 - ※ According to the Immigration Control Act, those whose period of sojourn in Korea is less than 90 days are regarded as non-resident foreign nationals
 - *FDI Companies and Branches of Foreign Companies*: The number is replaced with the business registration number (Article 41-2 of the said Act)
 - *Non-Resident Foreign Individuals*: The number is issued at the Seoul Immigration Office (Article 41-2 of the said Act)
 - *Non-Resident Foreign Companies*: The number is issued at the Land Registration Division of the competent Si/Gun/Gu office (Article 41-2 of the said Act)
 - *Korean Nationals Abroad Without a Resident Registration Number*: The number is issued at the Registry Division of Seoul Central District Court (Article 40 (1) 7 and Article 41-1 of the said Act)

2. Required Documents for Application of Registration Number for Real Estate Registration

- 1) Non-Resident Foreign Individual
 - Report on land acquisition; copy of passport (or document verifying one's nationality)
 - ※ When applying through a proxy, proxy's ID, a power-of-attorney, and certificate of mandator's signature are required
- 2) Non-Resident Foreign Company
 - Documents verifying the registration of the foreign company issued from the respective country
 - Documents verifying the identification of the company's representative or administrator
 - Documents verifying the residence of the company's representative or administrator

III. REMITTING FUNDS FOR REAL ESTATE TRANSACTIONS

- According to the Foreign Exchange Transactions Act (FETA), funds related to real estate transaction are mainly divided into (1) funds carried in person or remitted from overseas, and (2) funds generated in Korea.
- In cases where a real estate transaction is conducted with funds from overseas (e.g., carried in person or remitted), remittance of the funds to and from overseas for a real estate transaction is guaranteed under the law to both residents and non-residents alike, as long as the required report is made with a foreign exchange bank. (In such cases, documents verifying the real estate sale – such as the certificate of completion of a report on real estate acquisition and the sales contract – shall be submitted to the Head of a Foreign Exchange Bank).
- In cases where a real estate transaction is conducted with funds generated within Korea, it shall be reported to the Governor of the Bank of Korea prior to the transaction. After the report, taking proceeds from the sales of the relevant real estate out of the country is guaranteed. (In such cases, documents verifying the real estate sale – such as the certificate of completion of a report on real estate acquisition and the sales contract – shall be submitted to the Head of a Foreign Exchange Bank).

1. FDI Company and Branch of Foreign Company

■ Remittance of Funds from Overseas

- As described in Chapter II: Procedures for Land Acquisition by Foreigners, foreign investors intending to file FDI company registration have to remit the funds for real estate acquisition after completing FDI notification and all preparatory procedures for real estate acquisition.
- In the case of a domestic branch of a foreign company, the branch can acquire real estate after sending the funds in the form of working capital to Korea through a designated foreign exchange bank. (Article 9-34 of the

Regulations of Foreign Exchange Transactions)

■ Remittance of Funds to Overseas

- When remitting the sales amount of real estate overseas, an FDI company usually has to remit such amount as a capital decrease or dividends; and a branch of a foreign company has to remit the amount as revenue.
- In the case of a domestic branch of a foreign company, a capital decrease of working capital, except the remittance of funds from the closing of the branch, is not accepted.
- In cases where registered FDI company sells its real estate of business use, a report on decrease in capital (a report on transfer of shares, etc.) pursuant to FIPA shall be filed and relevant required documents shall be submitted prior to taking the proceeds from the sale out of the country.
※ Reference: Report on Transfer of Shares, etc. and Overseas Remittance of Funds

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- **Report on Transfer of Shares** (Article 23 of FIPA, Article 30 of the Enforcement Decree, and Article 20 of the Regulation)
 - Period: Within 30 days from the date of the transfer agreement
 - Place: Foreign exchange banks, Invest KOREA
 - Required documents: Copy of real estate sales contract; copy of certificate confirming tax paid (or to be paid)
 - ※ In case of business liquidation, cancellation of FDI company registration should be made
- **Report on Overseas Remittance of Funds**
 - Period: When remitting funds to overseas after making a report on transfer of shares, etc.
 - Place: Foreign exchange banks
 - Required documents: Certificate of completion of report on transfer of shares, etc.; sales contract; copy of passport / copy of alien registration

2. Resident Foreign National

■ Remittance of Funds From Overseas

- In cases where a foreign national residing in Korea purchases real estate for residence or non-commercial purposes, he/she can remit funds from overseas and acquire real estate without making report pursuant to FETA.

■ Remittance of Funds to Overseas

- The proceeds from the sale of real estate acquired with funds remitted from overseas can be remitted to overseas after applying for the remittance with required documents to the head of foreign exchange bank. (Article 2-3 (1) of the Regulations on Foreign Exchange Transactions)
- In other cases (such as purchasing real estate with funds generated in Korea), overseas remittance of the proceeds from the sale of real estate is subject to report to the Governor of the Bank of Korea, using the application form for report on sales of foreign means of payment. (Article 2-3 (1) of the Regulations of Foreign Exchange Transactions)

3. Non-Resident Foreign National

- In principal, in cases where a foreign national not residing in Korea purchases real estate for non-commercial purposes, he/she should make a "Report on Real Estate Acquisition" to the head of a foreign exchange bank when remitting funds for the purchase. And, when remitting the proceeds from the sale of the real estate to overseas, he/she has to make the required report.
- ※ In cases of overseas Korean national intends to take funds out of the country, the procedure for overseas Korean nationals taking property out of the country shall be applied.
- A foreigner purchasing real estate with funds generated within Korea should report the purchase to the Governor of the Bank of Korea in

advance. Proceeds from the sales of the reported real estate can be remitted to overseas by applying for the remittance to the head of a foreign exchange bank.

- Overseas remittance of the sales amount of real estate for which a “Report on Real Estate Acquisition” has not been made is subject to report to the Governor of the Bank of Korea
- A foreign national who does not reside in Korea (including a foreign corporation) may acquire real estate for non-commercial purposes; however, when acquiring real estate for commercial purposes (e.g., rent), he/she has to first establish a corporation or a branch in Korea pursuant to Article 614 of the Commercial Act
 - ※ If real estate in Korea is acquired under the name of a foreign company, in order to conduct commercial activities, another Korean company has to be established then the ownership of the real estate under the name of foreign company has to be changed to that of the Korean company. In such case, taxes (acquisition and registration tax) created as a result of change of ownership have to be paid.
 - In cases where a foreign company leases real estate to a domestic corporation after acquiring such estate from the said corporation (sale & lease), it is still considered to be a commercial activity; thus, the foreign company has to establish a company or a branch in Korea.

■ Remittance of Funds from Overseas

1. Matters Subject to Report to the Head of a Foreign Exchange Bank
(Report on Real Estate Acquisition: Article 9-42 (2) of the Regulations of Foreign Exchange Transactions)
 - Subject to report: In cases where a non-resident acquires real estate or its related rights (e.g., real/lease rights), and such acquisition falls under one of the following:

- a. Where real estate is acquired with funds, which was carried in person or was remitted from overseas;
 - b. Where collateral right is acquired as a result of a state-recognized transaction with a resident;
 - c. Where a non-resident acquires real estate or its related rights from another non-resident who has acquired real estate with funds carried in person or was remitted from overseas (as in "a") (including a case of making a direct payment in a foreign country).
- Period of report: When withdrawing the funds for real estate acquisition from a bank
 - Place: Head office / branches of foreign exchange banks
 - Required documents: Real estate acquisition contract; report on lease contract form (if subject to lease); report on collateral provision report (from resident to non-resident); real estate sales contract; document verifying acquisition of collateral
 - Notice:
 - a. When making overseas remittance of the proceeds from the sale of the real estate, a "Report on Real Estate Acquisition" should be submitted to the bank remitting the funds.
 - b. Unlike "Report on Land Acquisition", "Report on Real Estate Acquisition" includes the acquisition of building-only and real estate-related rights other than ownership.
2. Matters not Subject to Report or Permission
(Article 9-42 (1) of the Regulations of Foreign Exchange Transactions)
- In the case where a non-resident acquires real estate or related rights, and the acquisition falls under one of the following, such person is not required to make a report.
 - a. Where a non-resident holding mining rights acknowledged in accordance with the "Submarine Mineral Resources Development Act" acquires real estate or related rights;
 - b. Where a non-resident rents real estate in Korea for residential

- purpose of himself/herself and his/her family/relatives/employees;
- c. Where a non-resident who is a Korean national acquires real estate or related rights in Korea;
- d. Where a non-resident acquires real estate other than land, and related rights from another non-resident in Korea

■ Remittance of Funds to Overseas

1. Matters Subject to Application to the Head of a Foreign Exchange Bank

- In cases where a non-resident intends to remit proceeds from the sale of real estate or related rights in Korea, which were acquired through the following cases, to overseas, he/she should submit documents verifying the acquisition and sale of real estate or related rights to a foreign exchange bank (Article 9-43 (1) of the Regulations of Foreign Exchange Transactions Act).
 - a. Where real estate or its related rights, which are not subject to report on transaction, are acquired with funds carried in person or remitted from overseas (including funds deposited in an external account);
 - b. Where real estate or its related right in Korea are acquired by a non-resident foreigner through inheritance or bequest, or through a report to the head of a foreign exchange bank or the Governor of the Bank of Korea
 - In the case where an overseas Korean national remits proceeds from the sale of real estate held under his/her name to overseas, he/she shall submit required documents to a designated foreign exchange bank (Article 4-7 of the Regulations of Foreign Exchange Transactions Act).
- * Overseas Korean national: Emigrants stipulated in the Emigration Act, who have acquired a foreign nationality or permanent residence

2. Matters Subject to Report to the Governor of the Bank of Korea:

- In the case where a non-resident remits proceeds from the sale of real estate or its related rights in Korea to overseas, except for the cases described above, he/she should make a report to the Governor of the Bank of Korea.

Residents and Non-Residents Stipulated in the Foreign Exchange Transactions Act

	Residents	Non-Residents
Article 3 (1) 14,15 of the Act	<ul style="list-style-type: none"> - Any individual who has a domicile or residence in Korea, and any corporation whose main office is located in Korea - Branches, local offices, and any other offices of non-residents in Korea 	<ul style="list-style-type: none"> - Any individual and any company other than residents
Article 10 of the Enforcement Decree of the Act	<ul style="list-style-type: none"> - Overseas diplomatic missions of Korea - Organizations, agencies or other equivalent entities whose main offices are located in Korea - Korean nationals staying in a foreign country to serve in overseas diplomatic missions of Korea - Non-residents staying in Korea for 3 months or longer 	<ul style="list-style-type: none"> - Korean nationals falling under the following: <ul style="list-style-type: none"> • Those staying in a foreign country for business • Those working for an international organization in a foreign country • Those staying in a foreign country for 2 years or longer (A temporary visit to Korea for a stay of no more than 3 months is regarded as part of the 2-year period stated above)
	<ul style="list-style-type: none"> - Foreign nationals falling under the following: <ul style="list-style-type: none"> • Those working in sales offices in Korea, or engaging in business activities in Korea • Those staying in Korea for 6 months or longer 	<ul style="list-style-type: none"> - Foreign nationals falling under the following: <ul style="list-style-type: none"> • Foreign diplomats, consuls seconded to serve in foreign governments' missions or international organizations in Korea and/or their attendants • Foreign nationals who enter the country to perform official functions of foreign governments or international organizations • Resident foreigners staying in a foreign country for 3 months or longer • Foreign nationals who enter the country to perform official functions of foreign governments or international organizations • The United States Armed Forces in Korea; members and

		<p>civil employees of the Forces</p> <ul style="list-style-type: none"> • Business offices or other offices abroad of Korean corporations, etc. • People working in business offices, other offices, or international organizations abroad
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※ Reference: Documents additionally required for the disposal of real estate

- For a foreigner's registration of disposal of real estate, the following documents are required in addition to those required for registration of real estate acquisition.
- For Japanese nationals: Certificate of personal seal impression
- For other foreign nationals: A signature/seal certificate, which may substitute the certificate of personal seal impression
- ※ Documents shall be notarized by the relevant government office or a public notary in one's home country or checked by the home country's embassy in Korea.
- In cases of a person with permanent residence right in a foreign country, even if his/her resident registration in Korea has been cancelled due to emigration, etc., it is still possible to have his/her certificate of personal seal impression issued by *Eup/Myeon/Dong* office of his/her original domicile or of his/her last place of address in Korea.
- The above-mentioned certificate is issued directly to the relevant person. A third party asking for the certificate for the relevant person should submit a power of attorney issued by the Korean consulate office of the country where he/she resides.
- ※ A person with permanent residence right in a foreign country whose resident registration has not been cancelled shall follow the same procedure as that for other Koreans.

IV. TAXES ON REAL ESTATE

1. Taxes Applied to Real Estate by Stage

■ Acquisition of Real Estate

● Taxes

- Acquisition tax (2% of purchasing price)
- Registration tax (2% of purchasing price)
- Value-added tax (10% of purchasing price for building, and in the case that the building is acquired for business purposes, deduction / reimbursement is possible)
- Special tax for rural development (10% of acquisition tax)
- Local education tax (20% of acquisition tax)
- National housing bonds purchase (In the case of an FDI company, purchase requirement is reduced in proportion to the FDI ratio of the company)

● Heavy taxation

1) Acquisition tax: 6% (3 times the standard 2% acquisition tax), when real estate acquisition falls under the following:

- a. In the case of acquiring real estate for construction or expansion of factories in the over-concentration control regions in the Seoul metropolitan area (excluding industrial complexes, industrial regions, investment zones)
- b. In case of construction or expansion of commercial real estate for headquarter or main office of a company in the over-concentration control region
- c. Acquisition tax shall be increased by 10% (5 times the standard 2% acquisition tax) in the case where land or luxurious real estate (luxury villas, weekend villa in the countryside, country clubs) is acquired.

※ Over-concentration control regions in the Seoul metropolitan area
Seoul; Incheon (part); Suwon-si; Anyang-si; Guri-si; Goyang-si; Bucheon-si; Gwacheon-si; Gwangmyeong-si; Uijeongbu-si; Namyangju-si (part); Hanam-si; Seongnam-si; Uiwang-si; Gunpo-si; Siheung-si (some exceptions)

2) Registration tax: 9% (3 times the standard 3% registration tax) when real estate acquisition falls under the following:

- a. In the case of real estate registration of the construction or expansion of factories in the over-concentration control regions (excluding industrial complexes, industrial regions, investment zones)
- b. In the case of registration of real estate when establishing or transferring head office/branch in the over-concentration control region (excluding industrial complex), and registration of real estate, which was acquired within 5 years from the date of such establishment or transfer

- Reduction or Exemption

Acquisition tax and registration tax shall be reduced for a certain period of time (5-15 years) for FDI companies operating businesses eligible for tax reductions, such as the high-technology accompanying business, and FDI companies in foreign investment zones.

※ Reference: Imposition of Over-Concentration Charge

- Over-concentration charge is in accordance with the “Seoul Metropolitan Area Readjustment Planning Act” and is intended to reduce over-concentration in specific areas, and to collect funds for balanced regional development and overhead capital in urban areas.

Currently, in cases where a large building in Seoul is either being newly constructed or expanded or whose purpose is being changed, 10% of the amount of the “average construction costs for a building (1,580,000 won per one square meter as of 2009)” is charged and this shall be by the time of completion of the construction work.

Buildings subject to the charge are commercial facilities (15,000m² or more), business facilities (25,000m² or more) and public buildings (10,000m² or more).

- * Accommodation facilities (hotels) are not subject to the charge; however, in cases of a building having both accommodation and commercial facilities, such commercial facilities are subject to the charge.

■ Holding of Real Estate

- 1) For property of less than KRW 600 million; land less than KRW 500 million subject to comprehensive aggregate taxation; and land less than KRW 8 billion subject to individual aggregate taxation

- Taxes

- Property tax for buildings (0.25-4.0% of 50-90% of the acquisition price)
- Property tax for houses (0.15-0.5% of 40-80% of the acquisition price)
- Property tax for land (0.2-0.5% of 50-90% of the acquisition price)
- Local education tax (20% of property tax)

※ Property tax rate: 0.25% for ordinary buildings; 4% for golf courses (but 2% for the ones outside the Seoul metropolitan area) and deluxe entertainment business buildings; 0.5% for factory buildings.
In cases of house, 4% of tax rate is applied for holiday villas and 0.15~0.5% of progressive tax rate is applied for houses other than holiday villas.

- Heavy Taxation and Tax Reduction/Exemption

- Property tax calculated at 5 times the standard property tax shall be imposed for 5 years in cases involving the construction or expansion of factories stipulated in the laws in regions subject to control of over-concentration. FDI companies operating businesses eligible for tax reduction under the Restriction of Special Taxation Act, such as companies operating high-technology accompanying businesses, are subject to tax reduction for a certain period of time (5-15 years).

※ 0.5% of tax rate is applied for municipal-type factories as those are not subject to heavy taxation.

- 2) For property of over KRW 600 million; over KRW 500 million subject to comprehensive aggregate taxation; and over KRW 8 billion subject to individual aggregate taxation

- Taxes

Separate from the Property Tax, FDI companies are subject to the General Real Estate Tax (0.5-2% of excessive amount for housing and 0.75-2% of excessive amount for land) or the Agriculture and Fishery Special Tax (20% of General Real Estate Tax). Property Tax is deducted as it is considered as tax prepaid.

※ Single house owned by an individual owning no other house in Korea is subject to comprehensive real estate tax on the portion of the price exceeding 0.9 billion won.

- Reduction or Exemption

- A foreign-invested businesses eligible for property tax exemption/reduction are also eligible for exemption/reduction of comprehensive real estate tax.

<Summary of property-holding tax> (%)

Taxable object	Property tax		General real estate tax		
	Taxable object	Tax rate	Taxable object	Tax rate	Taxable amount reflection rate
Land	Those subject to general aggregate calculation	0.2-0.5	exceeding 0.5 billion won	0.75-2	80
	Those subject to separate calculation	0.2-0.4	exceeding 8 billion won	0.5-0.7	70
	Farmland, etc.	0.07	-	-	-
	Golf course, etc.	4	-	-	-
	* Factory site	0.2	-	-	-
Building	Golf course, etc.	4	-	-	-
	For factory use	0.5	-	-	-
	Others	0.25	-	-	-
House	Holiday villa	4	-	-	-
	Others	0.1-0.4	exceeding 0.6 billion won	0.5-2	80

* Those subject to separate taxation: Land for a factory site not larger than the standard size for factory in an industrial zone, industrial complex, *Eup* and *Myeon*.

■ Disposal of Real Estate

● Taxes

- Value-added tax (10% of the sale price of building)
- Individual: Transfer income tax (6-35%), inhabitant tax (10% of transfer income tax)
- Corporation: Corporate tax (11% or 22%), inhabitant tax (10% of corporate tax)
- In cases of disposal of business building, VAT (10% of transfer price of the building) shall be collected from buyer and be paid to the tax authorities.

● Heavy taxation

- In cases of an individual, heavy tax is levied 50% when possessing real estate less than one year, 40% for 1-2 years, and 70% when the transfer is made without filing registration.

● Non-resident and foreign corporations

- Corporate/income tax: 20% of transfer gains if the acquisition cost is verified or 10% of the transfer price if not. (resident tax of 10% shall be collected separately)

2. Tax Support for FDI Company

- If an FDI company operating high-technology accompanying businesses or in service industries supporting the manufacturing sector acquires real estate located in a foreign investment zone, acquisition tax, registration tax, property tax and general real estate tax shall be reduced (the period and rate of reduction may be extended for up to 15 years in accordance with local government ordinances).
- In the case of construction permission and real estate registration for office building of an FDI company, National Housing Bonds purchase requirement shall be reduced (Article 13 of the Enforcement Regulations of Housing

Construction Promotion Act).

- * Subject to tax reduction: Full exemption for FDI companies who are eligible for tax benefits pursuant to the Special Tax Treatment Control Act; for other FDI companies, tax reduction in proportion to the FDI ratio of the company
- * Reduction for: Construction permission of office building, real estate registration of office building

■ Summary of Taxes on Real Estate

Stage	Taxes & Rates	Remarks
Acquisition	<ul style="list-style-type: none"> - Acquisition tax (2% of purchasing price) - Special tax for rural development (10 % of acquisition tax) 	<p>Heavy taxation:</p> <ul style="list-style-type: none"> - 6% (3 times the standard acquisition tax): For construction/expansion of factories, and for acquisition of real estate for a head office in an over-concentration control region - 10% (5 times the standard acquisition tax): For acquisition of luxury properties, such as country clubs and villas, as well as acquisition of real estate by a company for non-business purposes <p>Reduction:</p> <ul style="list-style-type: none"> - Companies operating businesses accompanying high-tech and companies located in a Foreign Investment Zone (FIZ)
	<ul style="list-style-type: none"> - Value-added tax (10% of purchasing price) 	<ul style="list-style-type: none"> - Deduction for businesses as purchase tax - Exemption in case of acquiring housing of 85 m² or less
Registration	<ul style="list-style-type: none"> - Registration tax (2% of purchasing price) - Education tax (20% of registration tax) 	<p>Heavy taxation:</p> <ul style="list-style-type: none"> - 9% (3 times the standard registration tax): For construction/expansion of factories in the over-concentration control region - 9% (3 times the standard registration tax): Registration of real estate when establishing/transferring head office/branches in an over-concentration control region and registration of real estate acquisition made within 5 years from such establishment / transfer <p>Reduction:</p> <ul style="list-style-type: none"> - Same as acquisition tax
	<ul style="list-style-type: none"> - National Housing Bonds 	<p>Reduction:</p> <ul style="list-style-type: none"> - In case of construction permission and real estate registration for office building of an FDI company, the national housing bonds purchase requirement shall be reduced in proportion to FDI ratio of the company. - If standard market price is more than KRW 100 million: 6.5% for building exclusively for residential use (large cities 7%), 4.5% for others (large cities 5%)
Holding	<ul style="list-style-type: none"> - Property tax Building: 0.25-4.0% Land: 0.2-0.5% 	<p>Heavy Taxation:</p> <ul style="list-style-type: none"> - 5 times standard property tax for 5 years: For construction/expansion of factories in an over-concentration control region <p>Reduction:</p> <ul style="list-style-type: none"> - Businesses in industries such as advanced technologies subject to tax reduction <p>Additional tax:</p> <ul style="list-style-type: none"> - Local education tax (20% of the property tax)
	<ul style="list-style-type: none"> - General real estate tax Housing: 0.5-2.0% Land: 0.75-2.0% 	<p>Reduction:</p> <ul style="list-style-type: none"> - In cases where the property tax is subject to reduction according to Local Tax Act and Tax Treatment Control Act <p>Additional tax:</p> <ul style="list-style-type: none"> - Special tax for rural development (20% of the general real estate tax)

Disposal	<ul style="list-style-type: none"> • <i>Individual(Resident)</i> - Transfer income tax (6-35% of the gains) 	Heavy taxation: <ul style="list-style-type: none"> - Transfer in less than two years 40-50% - Transfer without filing registration (70%)
	<ul style="list-style-type: none"> • <i>Corporation</i> - Corporate tax (13 or 25%) 	The gains generated from transfer are included in non-operating profits, and are thus assessed as corporate tax
	<ul style="list-style-type: none"> • <i>Non-resident and foreign corporation</i> - Corporate/income tax 	10% of the transfer price or 20% of transfer gains
	- Inhabitant tax	10% of transfer income tax or corporate tax
	- Value-added tax	10% of the transfer price of buildings for industrial purposes (collected from the transferee)

V. FREQUENTLY ASKED QUESTIONS

1. Can foreigners, including corporations, acquire land in Korea without any restrictions?

- Foreigners are able to acquire land in Korea under the same conditions as Korean nationals with regard to acquisition, use and development of land regardless of their status of sojourn in Korea. Restrictions imposed on Korean nationals in terms of usage or size of land to be purchased shall also be applied to foreign nationals.
- However, in the case where foreign nationals acquire land in military installation reservations, cultural property protection zones and ecosystem preservation districts, they shall obtain prior permission.
 - In this case, the authorities shall grant permission if land acquisition located in the districts and regions subject to prior permission does not obstruct the defined purpose of the said land.
- * Confirmation letter on land use plan issued by the competent *Si/Gun/Gu* office addresses key restrictions imposed on the said land.

2. What procedures should a foreigner take for acquiring land in Korea?

Resident Foreign National

- He/she should make a "Report on Real Estate Acquisition" at the competent *Si/Gun/Gu* office and register transfer of ownership within 60 days after conclusion of the contractual agreement. In this case, it is not necessary to make report pursuant to the Foreign Exchange Transactions Act.
- The alien registration number and the address that appears on the alien registration card or the business registry can be substituted for the registration number for real estate registration and used as a document to prove the location of residence of the foreign national (address).

Non-Resident Foreign National

- He/she should first make a “Report on Real Estate Acquisition” to a foreign exchange bank in accordance with FETA when remitting funds for real estate acquisition from overseas. (Article 9-42 of FETA).
- If the acquired real estate is land, a “Report on Land Acquisition” pursuant to the FLAA has to be made with the competent *Si/Gun/Gu* office and registration of transfer of ownership has to be made with the competent court.
- ※ As the FLAA prescribes provisions only on land acquisition, report is not necessary when a foreigner acquires real estate (buildings) and related rights such as right to registered lease, mortgage, etc. However, in practice, the sale of real estate involving only buildings, separate from land, rarely occurs in Korea.
- ※ Place of issuance of registration number for real estate registration
 - Seoul Immigration Office for a non-resident foreign national;
 - Land Registration Division of competent *Si/Gun/Gu* office for a foreign corporation.

※ Definition of Resident by Type

- Individual: A person who has an address or domicile in Korea; a foreign national who works in a branch office in Korea or engages in business activities in Korea; or a foreign national residing in Korea for at least 6 months.
- Corporation: Branch/liaison office/other offices of a non-resident or a corporation which has a main office in Korea

3. Is it possible for a foreign company to acquire land in Korea without establishing business or branch office in Korea?

Non-Profit Purpose

- In cases of acquisition of land for non-profit purposes, it is possible to do

so without establishing business or branch office in Korea. However, in such cases the acquired land cannot be used for activities such as lease or other profit-generating business.

Profit-Making Purpose

- In cases of acquisition of land for profit-making purposes, establishment of business or branch office is required pursuant to Article 614 of the Commercial Act.
- ※ Article 614-1 of the Commercial Act: “A foreign company intending to engage in business in the Republic of Korea shall appoint a representative in the Republic of Korea and shall establish a business office”
- ※ If a foreign company establishes a separate company in Korea for lease or profit-making purposes after acquiring real estate under the name of the foreign company, acquisition tax and registration tax have to be imposed again due to change in ownership. So it is desirable that the company in Korea is established prior to the acquisition of the real estate.
- A foreign company can register the acquired real estate even without having established a business or branch office in Korea. In such cases, a registration number for real estate registration is issued at the competent *Si/Gun/Gu* office.
- ※ Documents required for issuance of registration number: Registration of foreign corporation issued from a foreign country where it was registered, document verifying identification of corporation's representative and the address of the representative.

4. What is the procedure to acquire land in Korea and what are the required documents for a Korean national with permanent residence in a foreign country?

- Korean national with permanent residence in a foreign country is not considered a foreign national under the Foreigner's Land Acquisition Act (FLAA). Therefore, a “Report on Land Acquisition” pursuant to the said Act

is not required. In cases where a non-resident Korean national acquires real estate or its related rights in Korea under Foreign Exchange Transactions Act, making a report regarding such acquisition is not required. However, in cases where such a person takes the proceeds from the sale of the relevant real estate out of the country, he/she shall apply for payment to a foreign exchange bank according to the proper processes.

- The required documents for registration of transfer of ownership are the same as for Korean nationals if the person concerned has resident registration. If the residence registration has cancelled, the following additional documents are required:
 - Proof of residence or address in the country of residence (issued or notarized by the competent office overseas agency)
 - Registration number for real estate registration issued by the Registry Division of the Seoul Central District Court (☎ 02-530-1892)
- ※ When applying for a registration number, the applicant should attach the certified copy of the overseas Korean registration (issued by the competent consulate of the Republic of Korea in the foreign country), a copy of the family register, a power-of-attorney (if a proxy is applying), etc.

5. Is a “Report on Land Acquisition” necessary if an apartment or an officetel is acquired through a sale in parcels?

- If an apartment, a residential & commercial housing unit, or an officetel was acquired by means of sale of in parcels, it is subject to the general procedure of land acquisition.
- That is, an application form for the “Report on Land Acquisition” with a certified copy of land registration, the contract, etc. has to be made at the competent *Si/Gun/Gu* office within 60 days from the contract date on which the sale of parcels was concluded. In this case, the acquired area of land is the area of land allotted to the apartment or the officetel.

- In general, the registration of transfer of ownership can be filed at the competent *Si/Gun/Gu* office within 60 days from the date of completing the last installment of payment.

6. If a foreign national sells real estate acquired in Korea, can he/she freely remit the proceeds from the sale to overseas? What is the procedure?

- Overseas remittance of proceeds from the sale of real estate, which was acquired by means of funds that was received from overseas via bank accounts, is completely guaranteed.

Non-Resident Foreign National

- A non-resident foreign national has to make a report to a foreign exchange bank if he/she intends to receive the funds for the acquisition of real estate from a foreign country. The proceeds from the sale of the real estate acquired with the reported funds can be remitted to overseas simply by filing an application (documents verifying the acquisition and sale of the said real estate shall be submitted).

Resident Foreign National (residing in Korea six months or longer)

- There are no restrictions on a resident foreign national to remit money to Korea for the purpose of acquiring real estate. However, taking the proceeds from the sale of the real estate acquired with the funds generated in Korea out of the country shall be reported to the Governor of the Bank of Korea.
 - Real estate rental income may be taken out of the country after obtaining the confirmation of the head of a foreign exchange bank based on the documents verifying the method of acquisition of the funds (Article 4-4 (1) of the Foreign Exchange Transaction Regulations)
- ※ When security deposit on lease received from a resident is taken out of the country, it shall be reported to the Governor of the Bank of Korea. (Article 2-3 (1) 3 (d) of the Foreign Exchange Transaction Regulations)

7. What kind of restrictions exist regarding the acquisition, use, or development of land in Korea?

Regulations related to land acquisition:

- As of August 2009, the Korean government has designated a total of 8,309 km² of land nationwide as a so-called “land transaction permission zone”. Acquisition of land located in this zone usually requires permission from the head of the competent *Si/Gun/Gu* office prior to concluding the contract.
- ※ The foregoing does not apply to cases where a foreign government or an international organization make a report on land acquisition or have permission pursuant to Article 4 of the Foreigner’s Land Acquisition Act (FLAA). (Article 121 (15) of the Enforcement Decree of the Framework Act on the Regulation of Land Use)
- According to the Farmland Act, there are no upper limits to owning farmland. However, a certificate for farmland acquisition needs to be obtained when acquiring farmland.
- ※ Acquisition of farmland and issuance of the certificate is only possible when actually engaging in farming. Therefore, in principle, a non-resident foreign national is not able to acquire farmland.

Regulations related to land use:

- Land in Korea is divided into four areas of specific use according to the Act on the Utilization and Management of National Territory. Such areas are subject to the restrictions on activities for utilization of national territory prescribed by the said Act.
- More details about the use of the land located in the areas stated above are stipulated in the Urban Planning Act and the Building Act.
- ※ Anyone who intends to acquire land in Korea can find out the restrictions imposed on the land from the “Confirmation letter on land use plan” issued by the competent *Si/Gun/Gu* office that has jurisdiction over the land.

Regulations related to land development:

- In cases where one of 28 development businesses such as residential land development and industrial complex development described in the Restitution of Development Gains Act is operated, the developer has to pay 25% of the gains from such development.

8. What taxes accompany the acquisition of real estate? What kinds of tax incentives are provided to a foreign national when acquiring land?

Taxes related to real estate acquisition:

- At the acquisition and registration stage, acquisition tax (2% of purchasing price) and registration tax (2% of purchasing price) are levied. Other taxes include special tax for rural development (10% of acquisition tax) and local education tax (20% of acquisition tax). Furthermore, national housing bonds have to be purchased (FDI companies are exempted).
- At the holding stage, property tax (0.2-4.0%), general real estate tax (0.5-2.0%), and special tax for rural development (20% of general real estate tax) are levied.
- At the disposal stage, both transfer income tax (6-35%) and inhabitant tax (10% of transfer income tax) are levied on resident individuals; corporate tax (13-25%) and inhabitant tax (10% of corporate tax) are levied on corporations.
- A non-resident or a foreign corporation without a place of business in Korea should pay 20% of transfer gains if the acquisition cost is verified or 10% of the transfer price if not for corporate/income tax (resident tax of 10% shall be collected separately)

Tax incentives related to real estate acquisition:

- Acquisition tax, registration tax, and property tax shall be reduced (for up to 15 years) for acquisition of land in a Foreign Investment Zone and

acquisition by FDI companies in the industry-supporting service as well as companies operating businesses accompanying high-tech, which support the national competitiveness of Korea.

- If an FDI company conducts real estate registration for business use, the company is exempted from the obligation to purchase national housing bonds.

9. How much is the brokerage fee for real estate transactions?

- Real estate agents receive brokerage fees from a client for their services including costs for confirming facts related to ownership of real estate during the purchase, sale or lease of real estate.
 - However, they cannot receive brokerage fees if the real estate transaction concerned is nullified or cancelled for reasons attributable to the broker's negligence or intention.
- Brokerage fees are calculated in the following ways: Cost x rate of brokerage fee.*
 - However, in cases in excess of the ceiling amount, the ceiling amount** will be charged.

* Rate for brokerage fees and ** Ceiling amount for residential buildings

<For sale>

Threshold (KRW million)	Rate for brokerage fee (%)	Ceiling amount (KRW thousand)
- less than 50	0.6	250
50 - less than 200	0.5	800
200 - less than 600	0.4	-

<For lease>

Threshold (KRW million)	Rate for brokerage fee (%)	Ceiling amount (KRW thousand)
- less than 50	0.5	200
50 - less than 100	0.4	300
100 - less than 300	0.3	-

- The brokerage fee for real estate other than residential buildings and luxurious residential buildings over KRW 300 million for lease or KRW 600 million for sale are subject to a mutually agreed contract between the client and the broker within the ceiling range of 0.9% for sale or exchange and 0.8% for lease.

< Appendix I > Status of Foreigners' Ownership of Land in Korea

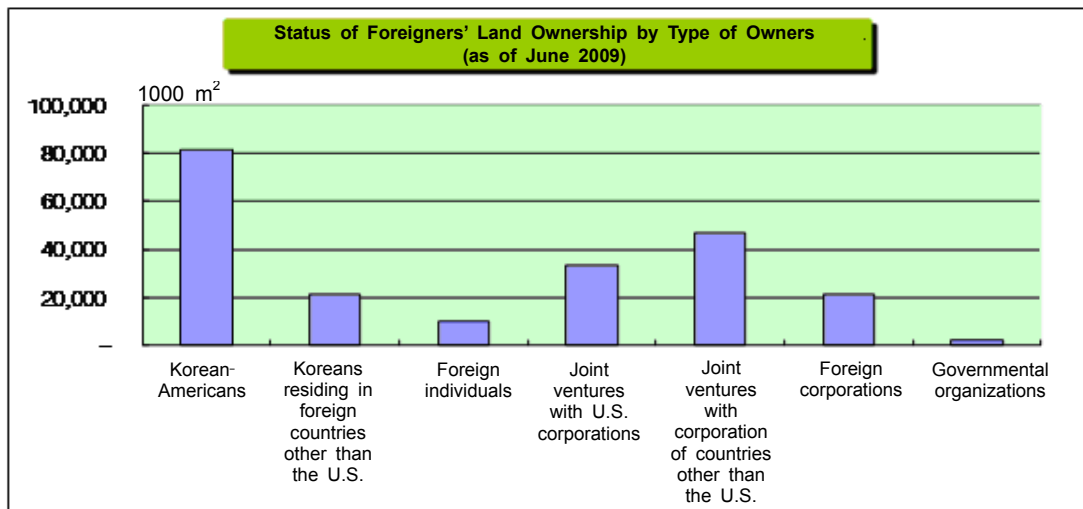
1. Overview

- As of the first half of 2009, the amount of land owned by foreigners was 215.9km², which account for 29,429.5 billion won (based on reported amount).
- * It is similar to 0.2% of the entire national territory (99,990km²) or 35.7% of Seoul (605km²) or the size of Jeonju (206km²).

	Status of foreigners' ownership at the end of 2008	Newly acquired in the first half of 2009.	Disposed in the first half of 2009	Status of foreigners' ownership at the end of the first half of 2009	Increase
Number of cases	40,998	3,232	767	43,463	6%
Size (1,000 m ²)	210,354	9,753	4,204	215,903	2.6%
Amount (Billion Won)	28,915.7	1,572.6	1,058.8	29,429.5	1.8%

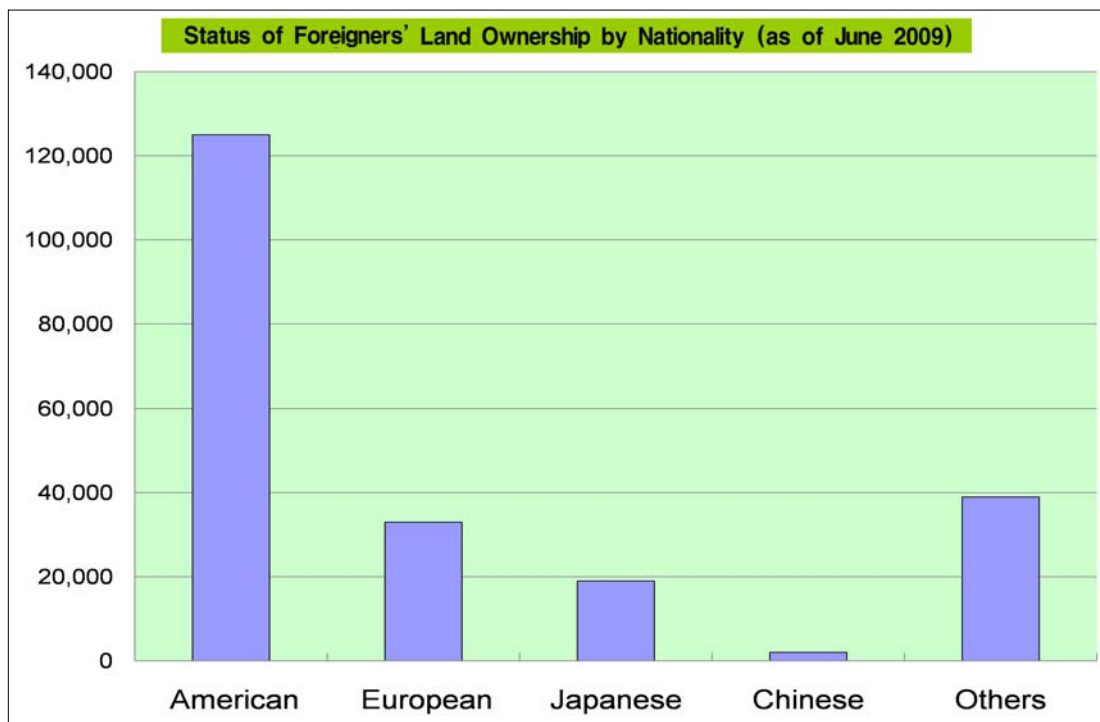
2. Status of ownership by type

- Status of ownership by type of owners



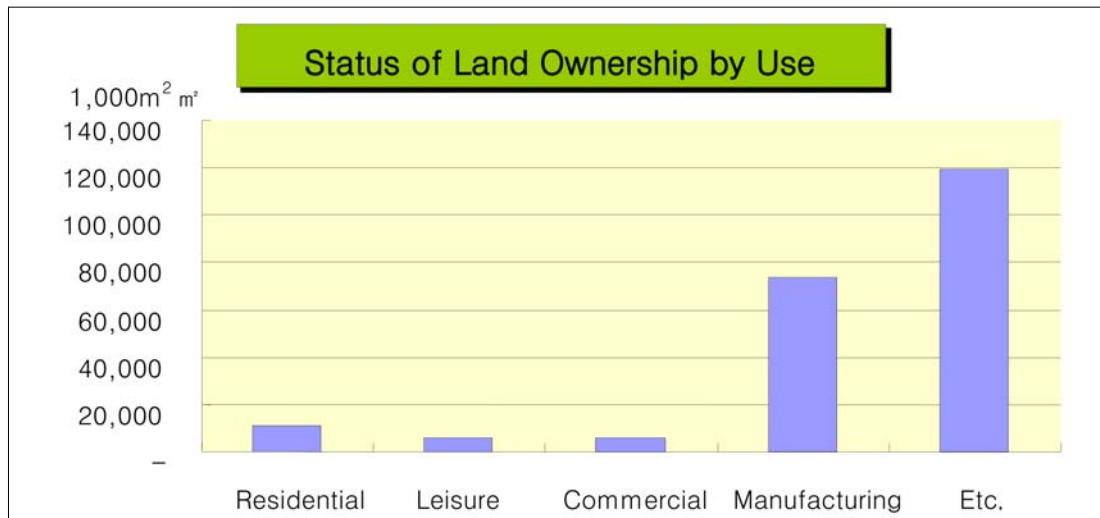
Status	Total	Individuals			Corporations			Foreign Governmental organizations, etc.
		Sub-total	Koreans residing in foreign countries	Foreign individuals	Sub-total	Joint ventures	Foreign corporations	
Size (1,000 m ²)	215,903	112,604	102,568	10,036	101,546	80,384	21,162	1,753
Ratio (%)	100.0	52.2	47.5	4.7	47.0	37.2	9.8	0.8

□ Status of land ownership by nationality



	Total	American	European	Japanese	Chinese	Others
Size (1,000 m ²)	215,903	123,962	32,696	18,872	2,805	37,568
Ratio (%)	100.0	57.4	15.2	8.7	1.3	17.4

□ Status of land ownership by use



	Total	Residential	Leisure	Commercial	Manufacturing	Forest
Size (1,000)	215,903	10,898	5,762	6,186	73,564	119,493
Share (%)	100.0	5.0	2.7	2.9	34.1	55.3

□ Status of land ownership by region

	Seoul	Busan	Daegu	Incheon	Gwangju	Daejeon	Ulsan	Gyeonggi
Size (1,000m²)	3,186	4,893	1,503	5,479	3,309	1,534	6,794	37,375
Amount (Billion Won)	9,076.9	1,475.0	652.5	1,718.7	514.0	495.6	1,062.2	5,065.1
	Gangwon	Chungbuk	Chungnam	Jeonbuk	Jeonnam	Gyeongbuk	Gyeongnam	Jeju
Size (1,000m²)	19,719	10,023	18,831	11,276	37,662	28,818	13,776	11,725
Amount (Billion Won)	296.9	428.3	1,432.4	702.0	2,252.2	2,385.4	1,585.9	286.4

< Appendix II >

Relevant Government Organizations

Organization	Services Related to Real Estate Transactions	Phone	Location
Invest Korea	- FDI consulting service, FDI procedures and real estate acquisition, etc.	(02)3460-7545	13 Heolleung-ro , Seocho-gu, Seoul Korea Trade-Investment Promotion Agency (KOTRA)
	- Grievance resolution and after-service for FDI companies - One-Stop Service for investors in Korea	(02)3460-7635	
Real Estate Industry Division of the Ministry of Land, Transport, and Maritime Affairs (MLTM)	Q & A concerning laws and regulations on foreigner's ownership of land in Korea	(02)2110-8291	Gwacheon Government Complex Building No. 4, Gwacheon-si, Gyeonggi-do
Land Policy Division of the Ministry of Land, Transport, and Maritime Affairs (MLTM)	Q & A concerning the system of land transaction permission zones	(02)2110-8276	Gwacheon Government Complex Building No. 4, Gwacheon-si Gyeonggi-do
Land Registration Division of a Si/Gun/Gu Office	- Registration (or application) for report on land acquisition for foreigners - Issuance of registration number for real estate registration for foreign companies not residing in Korea		
Seoul Immigration Office or Sejong-ro branch office	Issuance of registration number for real estate registration for foreign individuals not residing in Korea	(Mok-dong branch) Phone (without an area code): 1345 (Sejongro branch) Phone(without an area code): 1345	(Mok-dong) 10 minute walk from Omokgyo Station (Subway Line No. 5) Exit No.7 (Sejongro) Anguk Station (Subway Line No. 3) Exit No. 6 2nd Fl., SK Herb B/D

Local Tax Management Division of the Ministry of Public Administration and Security	Q & A concerning local taxes, such as acquisition/registration taxes	(02)2110-3943	Sejongro Government Complex, Gwanghwamun, Seoul
Registry Division of the Ministry of Court Administration	Procedures/ required documents for transfer of ownership	(02)3480-1394~8	5 Minute walk from Seocho Station (Subway Line No. 2)
Registry Division of the Seoul Central District Court	Details about registration number for those with permanent residence in a foreign country	(02)530-1872	
Farmland Policy Division of the Ministry for Food, Agriculture, Forestry, and Fisheries	Information regarding farmland	(02)500-1718~25	Gwacheon Government Complex Building No. 4, Gwacheon-si, Gyeonggi-do
Foreign Exchange Policy Division of the Ministry of Strategy and Finance	Q & A concerning laws and regulations on foreign exchange	(02)2150-4756~57	Gwacheon Government Complex Building No. 1, Gwacheon-si, Gyeonggi-do
Foreign Exchange Business Dept., Korea Exchange Bank	Procedure for the remittance and withdrawal of funds relating to real estate transactions by Korean nationals residing in foreign countries or by foreign nationals	(02)729-8472/8590	Head Office of Korea Exchange Bank 181 Euljiro 2(i)-ga, Jung-gu, Seoul

< Appendix III >

Foreigner's Land Acquisition Act

The Enforcement Decree of the Act

The Enforcement Regulations of the Act

November 2009

Ministry of Land, Transport, and Maritime Affairs

Act	Enforcement Decree	Enforcement Regulations
<p>Foreigner's Land Acquisition Act</p> <p>Enacted by Act No.718 on Sep. 18, 1961 Wholly amended by Act No. 5544 on May 25, 1998 Partially amended by Act No. 7297 on Dec. 31, 2004 Partially amended by Act No. 9186 on Dec. 26, 2008</p> <p>Article 1 (Purpose) The purpose of this Act is to prescribe matters necessary for land acquisition, etc. of foreigners within the territory of the Republic of Korea. [Wholly amended on Dec. 26, 2008]</p> <p>Article 2 (Definition) For the purpose of this Act, the term "foreigner" means an individual, a juristic person or an organization falling under any of the following subparagraphs:</p> <ol style="list-style-type: none"> 1. An individual who does not have the nationality of the Republic of Korea; 2. A juristic person or an organization falling under any of the following items: <ol style="list-style-type: none"> (a) A juristic person or an organization established in accordance with foreign Acts and subordinate statutes; (b) A juristic person or an organization not less than a half of the employees or members of which fall under subparagraph 1; (c) A juristic person or an organization not less than a half of its executives, such as employees 	<p>The Enforcement Decree of the Foreigner's Land Acquisition Act</p> <p>Enacted by Cabinet Decree No. 645 on Apr. 10, 1962 Partially amended by Presidential Decree No. 17854 on Dec. 30, 2002 Partially amended by Presidential Decree No. 21531 on Jun. 9, 2009</p> <p>Article 1 (Purpose) The purpose of this Decree is to provide for the matters delegated by the Foreigner's Land Acquisition Act and matters necessary for the enforcement thereof. [Wholly amended on Jun. 9, 2009]</p>	<p>The Enforcement Regulations of the Foreigner's Land Acquisition Act</p> <p>Enacted by Decree of Ministry of Construction No. 553 on May 13, 1994 Partially amended by Decree of Ministry of Construction and Transportation No. 411 on Nov. 29, 2004 Partially amended by Decree of Ministry of Land, Transportation, and Maritime No.142 on Jun. 26, 2009</p> <p>Article 1 (Purpose) The purpose of the Regulations is to provide the matters delegated by Enforcement Decree of the Act and matters necessary for the enforcement thereof. [Wholly amended on Jun. 16, 2009.]</p>

Act	Enforcement Decree	Enforcement Regulations
<p>conducting affairs or directors, of which fall under subparagraph 1</p> <p>(d) A juristic person or an organization not less than a half of its capital or not less than a half of voting rights of which are possessed by persons falling under subparagraph 1 or juristic persons or organizations falling under item (a). In such cases, when calculating the capital or the number of voting rights, it shall be deemed that persons falling under subparagraph 1 or juristic persons or organizations falling under item (a) hold bearer stocks of a stock company</p> <p>[Wholly amended on Dec. 26, 2008]</p> <p>Article 3 (Principal of Reciprocity)</p> <p>The Minister of Land, Transport, and Maritime Affairs may prohibit or restrict an individual, a juristic person, an organization, or the government of a nation which prohibits or restricts a national of the Republic of Korea, a juristic person or an organization established in accordance with the Acts and subordinate statutes of the Republic of Korea or the Government of the Republic of Korea from acquisition or transfer of land in its territory from acquisition or transfer of land in the territory of the Republic of Korea as prescribed by Presidential Decree: <i>Provided</i>, That the same shall not apply in cases where it is necessary for implementation of a treaty</p>		

Act	Enforcement Decree	Enforcement Regulations
<p>concluded in accordance with the Constitution or any Act. [Wholly amended on Dec. 26, 2008]</p> <p>Article 4 (Report on Land Acquisition by Contract) (1) In cases where a foreigner, a foreign government, or an international organization prescribed by Presidential Decree (hereinafter referred to as "foreigner, etc.") has concluded a contract for land acquisition in the territory of the Republic of Korea (hereinafter referred to as a "contract for land acquisition"), the foreigner, etc. shall make a report on the land acquisition to the head of <i>Si</i> (referring to the head of <i>Si</i> where a <i>Gu</i> is not established and the head of <i>Si</i> under Article 17 of the Special Act on the Establishment of Jeju Special Self-Governing Province and the Development of Free International City; hereinafter the same shall apply)/<i>Gun/Gu</i> within 60 days from the conclusion date of the contract as prescribed by Presidential Decree: <i>Provided</i>, That the same shall not apply in cases where a report on transactions of real estate has been made in accordance with Article 27 of the Business Affairs of Licensed Real Estate Agents and Report of Real Estate Transactions Act or a report on housing transaction has been made in accordance with Article 80-2 of the Housing Act. (2) Notwithstanding paragraph (1), in cases where land which a</p>	<p>Article 2 (International Organization Subject to Report on Land Acquisition Contract) For the purpose of Article 4 (1) of the Foreigner's Land Acquisition Act (hereinafter referred to as the "Act"), the term "international organizations prescribed by the Presidential Decree" shall be as shown in the attached Table 1. [Wholly amended on Jun. 9, 2009]</p> <p>Article 3 (Report on Land Acquisition) (1) Where a foreigner, a foreign government, or an international organization referred to in Article 2 (hereinafter referred to as a "foreigner") intends to report on the acquisition or continuous holding of land under Article 4 (1), 5, or 6 of the Act to the head of the relevant <i>Si</i> (the head of <i>Si</i> where a <i>Gu</i> is not established and the head of <i>Si</i> under Article 17 of the Special Act on the Establishment of Jeju Autonomous Province and the Development of Free International Cities; hereinafter the same shall apply)/<i>Gun/Gu</i>, a report accompanied by the documents prescribed by the Ordinance of the Ministry of Land, Transport, and Maritime Affairs shall be submitted. (2) Where a foreigner intends to obtain permission for the acquisition</p>	<p>Article 2 (Report on Land Acquisition, etc.) (1) The report on land acquisition and the continuous holding of land (including report in electronic format) in accordance with Article 3 (1) of the Enforcement Decree of the Foreigner's Land Acquisition Act (hereinafter referred to as the "Decree"), and the application for permission of land acquisition (including report in electronic format) in accordance with Article 3 (2) of the Decree shall be follow the format in Appendix 1. (2) The report on land acquisition in Paragraph (1) shall include documents classified by each item as follows (including report in electronic format. The same shall apply hereinafter in this paragraph): 1. In the event of donation: The donation contract. 2. In the event of inheritance: A</p>

Act	Enforcement Decree	Enforcement Regulations
<p>foreigner or similar intends to acquire is located in districts or areas falling under any of the following subparagraphs, the foreigner, etc. shall obtain permission of land acquisition from the head of <i>Si/Gun/Gu</i> as prescribed by Presidential Decree before concluding a contract for land acquisition: <i>Provided</i>, That the same shall not apply in cases where the foreigner, etc. has obtained permission for the contract for land acquisition in accordance with Article 118 of the National Land Planning and Utilization Act:</p> <p>1. Military bases and military installation protection areas under subparagraph 6 of Article 2 of the Protection of Military Bases and Installations Act, or such other areas as may be especially necessary to limit foreigner's land acquisition, etc. for the purpose of national defense as prescribed by the Presidential Decree;</p> <p>2. Designated cultural assets under Article 2 (2) of the Cultural Heritage Protection Act, and protectors or reservations therefor;</p> <p>3. Ecological and scenery conservation areas under subparagraph 12 of Article 2 of the Natural Environment Conservation Act;</p> <p>4. Special reservations for wild animals and plants under Article 27 of the Protection of Wild Fauna and Flora Act.</p>	<p>of land under Article 4 (2) of the Act, he/she shall submit to the head of the relevant <i>Si/Gun/Gu</i> an application accompanied by the documents prescribed by the Ordinance of the Ministry of Land, Transport, and Maritime Affairs.</p> <p>(3) The head of <i>Si/Gun/Gu</i> shall, upon receipt of the application for permission on the acquisition of land under paragraph (2), makes a disposition of permission or non-permission within 15 days from the day of the receipt of the application.</p> <p>[Wholly amended on Jun. 9, 2009]</p> <p>Article 4 (Management of Report on Land Acquisition)</p> <p>(1) Where the head of the <i>Si/Gun/Gu</i> receives a report or delivers a certificate of complete report under Article 3 (1) or permission under paragraph (3) of the same Article, he/she shall record and manage such facts in a management register.</p> <p>(2) The head of <i>Si/Gun/Gu</i>, upon receipt of the report on transaction of real estate or report on housing transaction under Article 4 (1) of the Act, he/she shall check the such facts, and record and manage the facts in a management register.</p> <p>(3) The head of the <i>Si/Gun/Gu</i> shall notify the Special Metropolitan City Mayor, Metropolitan City Mayor, Do governor or Special-Governing Province Governor of the contents of the management register under paragraph (1) within one month of the closing day of every quarter.</p>	<p>document verifying the identity of the inheritor.</p> <p>3. In the event of auction: Written decision of the successful bid.</p> <p>4. In the event of an exercise of the redemptive right: A document verifying the redemption.</p> <p>5. In the event of exercise of a final judgment of a court of law: The final judgment in written.</p> <p>6. In the event of merger between juristic persons: Documents verifying the merger.</p> <p>(3) The report on the continuous holding of land acquisition in Paragraph (1) shall include the document verifying that a corporation or an organization established according to the Laws of the Republic of Korea has been converted into a foreign corporation or organization (only applicable when the applicant is a corporation or an organization).</p> <p>(4) The application for permission of land acquisition in Paragraph (1) shall include the agreement signed by the parties to the land acquisition contract.</p> <p>(5) The official in charge to whom reports or applications stated in the foregoing paragraph (1) through (4) have been submitted shall check the relevant certified copy of the land register and the building register (in the case of a multi-unit building) through the sharing administrative information under Article 21 (1) of the Electronic Government Act.</p> <p>(6) In the case of the submission of</p>

Act	Enforcement Decree	Enforcement Regulations
<p>(3) In cases where the head of <i>Si/Gun/Gu</i> deems that acquisition of land in districts and areas falling under any subparagraph of paragraph (2) by a foreigner, etc. does not interfere with the achievement of purposes of designation of the relevant districts and areas, he/she shall grant permission under paragraph (2).</p> <p>(4) No contract for land acquisition concluded in violation of paragraph (2) shall take effect.</p> <p>[Wholly amended on Dec. 26, 2008]</p> <p>Article 5 (Report of Land Acquisition by other than Contract) When a foreigner, etc. has acquired land in the territory of the Republic of Korea by means of inheritance, auction or any cause other than contract prescribed by Presidential Decree, the foreigner, etc. shall make a report to the head of <i>Si/Gun/Gu</i> within six months after the date of land acquisition as prescribed by the Presidential Decree.</p> <p>[Wholly Amended on Dec. 26, 2008] [Date of Enforcement : Jun. 27, 2009]</p> <p>Article 6 (Report of Continuous Holding of Land) In cases where a national of the Republic of Korea, a juristic person or an organization established in accordance with the Acts and subordinate statutes of the Republic of Korea having land in the territory of the Republic of</p>	<p>(4) The Special Metropolitan City Mayor, Metropolitan City Mayor, Do governor or Special-Governing Province Governor who has been notified of the contents of the management register under paragraph (3) shall notify the Minister of Land, Transport, and Maritime Affairs of such contents within one month of the day of receipt of such notification.</p> <p>[Wholly amended on Jun. 9, 2009]</p> <p>Article 5 (Other Permission Areas of Acquisition of Land) For the purpose of Article 4 (2) 1 of the Act, the term "areas prescribed by the Presidential Decree" means island areas necessary from the military defense point of view which are announced by the Minister of Land, Transport, and Maritime Affairs after consultation with the head of the central administrative agency concerned, such as the Minister of National Defense.</p> <p>[Wholly amended on Jun. 9, 2009.]</p> <p>Article 6 (Acquisition of Land Caused by Reasons Other Than Contract) For the purpose of Article 5 of the Act, the term "cause other than contracts prescribed by the Presidential Decree" means the exercise of a redemptive right pursuant to the Act on the Acquisition of Land, Etc. for Public Works and the Compensation Therefor, or other relevant Acts, a</p>	<p>a report or application under the foregoing paragraph (1) in the form of an electronic document, documents pursuant to paragraph (2) through (4) shall be attached or copies shall be separately submitted by mail or fax within 14 days of the day of the report or the application submission when it is not possible to attach those documents.</p> <p>(7) The head of the relevant <i>Si</i> (the head of <i>Si</i> where a <i>Gu</i> is not established and the head of <i>Si</i> under Article 17 of the Special Act on the Establishment of Jeju Autonomous Province and the Development of Free International Cities; hereinafter the same shall apply)/<i>Gun/Gu</i>, upon receipt of the reports pursuant to paragraph (6), shall check the report and attached documents and immediately send a confirmation letter of receipt of report on land acquisition or a confirmation letter of receipt of report on continuous holding of land as stated in Article 3.</p> <p>(8) A report on land acquisition or a report on continuous holding of land stated in the foregoing paragraph (1) (except for a report or application made in the form of an electronic document) may be made by a person duly entrusted by the relevant foreigner. In such a case, the entrusted person shall present his/her identification and submit a copy of a document verifying the identity of the foreigner concerned to the Head of the relevant <i>Si/Gun/Gu</i>.</p>

Act	Enforcement Decree	Enforcement Regulations
<p>Korea has been changed to a foreigner, etc., if the foreigner, etc. intends to possess the relevant land continuously, the foreigner, etc. shall make a report to the head of Si/Gun/Gu within six months from the date of change to the foreigner, etc. as prescribed by Presidential Decree. [Wholly amended on Dec. 26, 2008]</p> <p>Article 7 (Penal Provisions) Any foreigner, etc. who concludes a contract for land acquisition without obtaining permission under Article 4 (2) or who has concluded a contract for land acquisition with permission obtained by unjust means shall be punished by imprisonment for not more than two years or by a fine not exceeding twenty million won. [Wholly amended on Dec. 26, 2008]</p> <p>Article 8 (Joint Penal Provisions) If the representative of a juristic person, an agent, an employee, other employed person of a juristic person or an individual commits an offense under Article 7 in connection with affairs of the juristic person or individual, not only such offender shall be punished but also the juristic person or individual shall be punished by a fine under the corresponding Article: <i>Provided</i>, That the same shall not apply in cases where the juristic person or individual has not neglected to give a reasonable</p>	<p>final judgment by a court, or merger of juristic persons. [Wholly amended on Jun. 9, 2009]</p>	<p>[Wholly amended on Jun.26, 2009]</p> <p>Article 3 (Confirmation Letter of Receipt of Report on Land Acquisition, etc.) The confirmation letter of receipt of report on land acquisition, the confirmation letter of receipt of report on the continuous holding of land, and the land acquisition permission in accordance with Article 4 (1) of the Decree shall follow the form in the Appendix 2. [Wholly amended on Jun.26, 2009.]</p> <p>Article 4 (Management Register of Land Acquisition Report/Permission) Management Register of Land Acquisition Report/Permission in accordance with Article 4 (1) of the Decree shall follow the form in the Appendix 3. [Wholly amended on Jun.26,2009]</p>

Act	Enforcement Decree	Enforcement Regulations
<p>attention to and to supervise the relevant affairs in order to prevent such offense. [Wholly amended on Dec. 26, 2008]</p> <p>Article 9 (Fine for Negligence) (1) Any person who has failed to make a report on land acquisition under Article 4 (1) or has made a false report shall be imposed a fine for negligence not exceeding three million won.</p> <p>(2) Any person who falls under any of the following subparagraphs shall be imposed a fine for negligence not exceeding one million won:</p> <p>1. Any person who has failed to make a report of land acquisition under Article 5 or has made a false report;</p> <p>2. Any person who has failed to make a report of the continuous holding of land under Article 6 or has made a false report.</p> <p>(3) A fine for negligence under paragraphs (1) and (2) shall be imposed and collected by the head of <i>Si/Gun/Gu</i> as prescribed by Presidential Decree. [Wholly amended Dec. 26, 2008]</p>	<p>Article 7 (Imposition of Fine) (1) The criteria for the imposition of a fine under Article 9 (1) and (2) of the Act shall be as shown in the attached table 2.</p> <p>(2) The Head of the <i>Si/Gun/Gu</i> may adjust, either by raising or by lowering, the amount of a fine as shown in the attached table 2 within the extent of half of the stipulated fine in consideration of the cause, result and the frequency of the violation. In cases of raising the amount of fine, the raised amount shall not exceed the ceiling of a fine as stipulated in Article 9 (1) and (2) of the Act. [Wholly amended on Jun. 9, 2009]</p>	<p>Article 5 Deleted <Jun. 26, 2009></p>

Act	Enforcement Decree	Enforcement Regulations
<p>Addenda <No.5544, May 25, 1998></p> <p>Article 1 (Enforcement Date) This Act shall enter into force one month after the date of its promulgation.</p> <p>Article 2 (Transitional Measures concerning Previous Permission and Report) (1) Where any permission or report on the acquisition or continuous holding of land was granted or made under the previous provisions at the time this Act enters into force, it shall be considered to have been granted or made in accordance with the amended provisions of Article 4 (1) and (2), 5, or 6. (2) Where a foreigner who failed to obtain permission or make a report on the acquisition or continuous holding of land under the previous provisions at the time this Act enters into force, obtains permission or makes a report in accordance with the amended provisions of Article 4 (1) and (2), 5, or 6 within one year after the date of its enforcement, he/she shall be considered to have obtained permission or made a report in accordance with the previous provisions.</p> <p>Article 3 (Transitional Measures concerning Penal Provisions) The application of penal provisions against an illegal act before the enforcement of this Act shall be made in accordance with the previous provisions: <i>Provided</i>, That the same shall not apply to the</p>	<p>Addenda <No.15819, Jun. 24, 1998></p> <p>Article 1 (Enforcement Date) This Decree shall enter into force on Jun. 26, 1998.</p> <p>Article 2. (Amendment of Other Acts) (1) In the Enforcement Decree of the Act on the Utilization and Management of the National Territory, the following shall be amended. Subparagraph of 17 Article 30 shall be amended as follows: Where a foreign government or an international organization makes a report on land acquisition or has permission pursuant to provisions of Article 4 of the Foreigner's Land Acquisition Act. (2) In the Enforcement Decree of the Act on the Establishment of Free Export Zones, the following shall be amended. Article 15 (1) 3 shall be deleted. (3) In the Enforcement Decree of the Foreign Investment and Foreign Capital Inducement Act, the following shall be amended. Subparagraph 1 of Article 20-9 shall be amended as follows: 1. Report and permission on land acquisition in accordance with Article 4 through Article 6 of the Foreigner's Land Acquisition Act. (4) In the Enforcement Decree of the Ceilings on the Ownership of Housing Sites Act, the following shall be amended. In Article 9 (2), "the Act on the Acquisition of Lands by Foreigners and their Management" shall be</p>	<p>Addenda <No.138, Jun. 24,1998></p> <p>(1) (Enforcement Date) The Regulations shall enter into force on Jun. 26, 1998. (2) (Amendment of Other Acts) In the Enforcement Regulations of the Building Act, the following shall be amended. Article 6 (4) 2 shall be deleted. <Jun. 14, 2002></p>

Act	Enforcement Decree	Enforcement Regulations
<p>permission obtained or report made in accordance with the amended provisions of Article 2 (2) of the Addenda within one year after this Act enters into force.</p> <p>Article 4 (Amendment of other Acts)</p> <p>(1) In the Act on the Establishment of Free Export Zones, the following shall be amended.</p> <p>In Article 7 (3), "Act on the Acquisition of Lands by Foreigners and their Management" shall be amended as "Foreigner's Land Acquisition Act".</p> <p>(2) In the Industrial Placement and Factory Construction Act, the following shall be amended.</p> <p>In subparagraph 2 of Article 35-5, "Act on the Acquisition of Lands by Foreigners and their Management" shall be amended as "Foreigner's Land Acquisition Act".</p> <p>Addenda(Preservation of Traditional Buildings Act) <No. 5656, Jan. 21, 1999></p> <p>Article 1 (Enforcement Date)</p> <p>This Act shall enter into force on July 1, 1999.</p> <p>Article 2 (Amendment of other Acts)</p> <p>(1) Omitted</p> <p>(2) In the Foreigner's Land Acquisition Act, the following shall be amended: Article 4 (2) 3: To be deleted</p> <p>Article 3 Omitted</p>	<p>amended as "the Foreigner's Land Acquisition Act".</p>	

Act	Enforcement Decree	Enforcement Regulations
<p>Addenda (The Protection of Wild Fauna and Flora Act) <No. 7167, Feb.9, 2004></p> <p>Article 1 (Enforcement Date) This Act shall enter into force one year after the date of its promulgation.</p> <p>Articles 2 through 28 Omitted</p> <p>Article 29 (Amendment of other Acts) (1) through (11) Omitted</p> <p>(12) In the Foreigner's Land Acquisition Act, the following shall be amended.</p> <p>Subparagraph 5 shall be newly inserted to Article 4 (2).</p> <p>5. Special protection area for wild fauna and flora under Article 27 of the Protection of Wild Fauna and Flora Act</p> <p>(13) through (15) Omitted</p> <p>Article 30 Omitted</p>	<p>Addenda (The Enforcement Decree of the Act on the Acquisition of Land, etc. for Public Works and the Compensation Therefor) <No. 17854, Dec.30, 2002></p> <p>Article 1 (Enforcement Date) This Decree shall enter into force on January 1, 2003.</p> <p>Articles 2 through 6 Omitted</p> <p>Article 7 (Amendment of other Acts) (1) through (20) Omitted</p> <p>(21) In the Enforcement Decree of the Foreigner's Land Acquisition, the following shall be amended.</p> <p>In Article 6, the "Land Expropriation Act" shall be amended as the "Act on the Acquisition of Land, etc. for Public Works and the Compensation Therefor"</p> <p>(22) through (38) Omitted</p> <p>Article 8 Omitted</p>	<p>Addenda <No. 319 dated Jun.14, 2002></p> <p>(1) (Enforcement Date) The Regulations shall enter into force on the date of its promulgation.</p> <p>(2) (Interim Measures Associated with Revision of Document Form) Documents forms used at the time of the enforcement of the Regulations under previous regulations may be used until August 31, 2002 along with forms under the Regulations or with some revisions made.</p>
<p>Addenda (Natural Environment Conservation Act)</p> <p><No. 7297, Dec. 31, 2004></p> <p>Article 1 (Enforcement Date) This Act shall be enter into force one year after the date of its promulgation.</p> <p>Article 2 through Article 7 Omitted</p> <p>Article 8 (Amendment of other Acts) (1) through (3)Omitted</p> <p>(4)In the Foreigner's Land Acquisition, the following shall be amended.</p> <p>Article 4 (2) 4 shall be amended as follows:</p> <p>4. Ecological and scenery conservation areas under subparagraph 12 of Article 2 of</p>	<p>Addenda (Amended Decree concerning Regulations on Management of Parolee for Electronic Processing of Civil Petitions, etc.)</p> <p><No. 18312, Mar. 17, 2004></p> <p>This Decree shall enter into force on the date of its promulgation.</p>	<p>Addenda (Amended Decree concerning the Enforcement Regulations of the Act on Special Measures for Designation and Management of Restricted Development Areas for Electronic Processing of Civil Petitions, etc.)</p> <p><No. 411, Nov. 29, 2004></p> <p>The Regulations shall enter into force on the date of its promulgation.</p>

Act	Enforcement Decree	Enforcement Regulations
<p>the Natural Environment Conservation Act (5) and (6) Omitted Article 9 Omitted</p>		<p>Addenda (Partially amended Decree concerning the Enforcement Regulations of Restitution of Development Gains Act for Sharing Administrative Information and Paperwork Reduction, etc.) <No. 530, Aug. 7, 2006> The Regulations shall enter into force on the date of its promulgation.</p>
<p>Addenda (Protection of Military Bases and Installations Act) <No. 8733, Dec. 21, 2007> Article 1 (Enforcement Date) This Act shall enter into force nine months after the date of its promulgation. <Proviso: Omitted> Articles 2 through 9 Omitted Article 10 (Amendment of other Acts) (1) through (13) Omitted (14) In the Foreigner's Land Acquisition, the following shall be amended. Article 4 (2) 1 shall be amended as follows: 1. Areas designated for protection of military bases and installations under subparagraph 6 of Article 2 of the Protection of Military Bases and Installations Act and other areas designated under the Presidential Decree due to the need for specific limitation on foreigners' land acquisition for a defense purpose (15) through <30> Omitted Article 11 Omitted</p>		<p>Addenda <No. 561, Jun. 7, 2007> The Regulations shall enter into force on the date of its promulgation.</p>

Act	Enforcement Decree	Enforcement Regulations
<p>Addenda (Government Organization Act) <No. 8852, Feb. 29, 2008></p> <p>Article 1 (Enforcement Date) This Act shall enter into force on the date of its promulgation: <i>Provided, That, ...<omitted>...</i>, among Acts amended pursuant to Article 6 of this Addenda, the amended provision of any Act which is promulgated before the enforcement of this Act, but does not enter into force, shall enter into force on the enforcement date of the relevant Act.</p> <p>Article 2 through Article 5 Omitted</p> <p>Article 6 (Amendment of other Acts) (1) through <594> Omitted</p> <p><595> In the Foreigner's Land Acquisition, the following shall be amended.</p> <p>In Article 3, the "Minister of Construction and Transportation" shall be amended as "the Minister of Land, Transport, and Maritime Affairs"</p> <p><596> through <760> Omitted</p> <p>Article 7 Omitted</p>	<p>Addenda (Ministry of Land, Transport, and Maritime Affairs and Its Subsidiary Institutions) <No. 20722, Feb. 29, 20089></p> <p>Article 1(Enforcement Date)</p> <p>This Decree shall enter into force on the date of its promulgation: <i>Provided, That</i> among Presidential Decrees amended pursuant to Article 6 of this Addenda, the amended provision of any Presidential Decree which is promulgated before the enforcement of this Presidential Decree, but does not enter into force, shall enter into force on the enforcement date of the relevant Presidential Decree</p> <p>Article 2 through Article 5 Omitted</p> <p>Article 6 (Amendment of other Acts)</p> <p>(1) through <78> : Omitted</p> <p><79> In the Enforcement Decree of the Foreigner's Land Acquisition, the following shall be amended.</p> <p>In Article 3 (1) and (2), and Article 7 (4), the "Decree of the Ministry of Construction and Transportation" shall be amended as the "Decree of the Ministry of Land, Transport, and Maritime Affairs."</p> <p>In Article 4 (3) and Article 5, the "Minister of Construction and Transportation" shall be amended as "the Minister of Land, Transport, and Maritime Affairs"</p> <p><80> through <138> Omitted</p>	

Act	Enforcement Decree	Enforcement Regulations
<p>Addenda <No. 9186, Dec. 26, 2008></p> <p>(1)(Enforcement Date) This Act shall enter into force six months after the date of its promulgation: <i>Provided</i>, That the amended provisions in Article 3 shall enter into force on the date of its promulgation.</p> <p>(2)(Example of Application of Report on Land Acquisition by Contract) The amended provision of Article 4 (1) shall apply from the first land acquisition contract concluded after the enforcement of this Act.</p>	<p>Addenda <No. 21531, Jun. 9, 2009></p> <p>Article 1 (Enforcement Date) This Decree shall enter into force on Jun. 27, 2009.</p> <p>Article 2 (Interim Measures) Imposition of a fine concerning a violation made prior to the enforcement of this Decree shall follow past practices.</p>	<p>Addenda <No. 142, Jun. 26, 2009></p> <p>The Regulations shall enter into force on Jun. 27, 2009.</p>

[Table 1]

International Organizations (related to Article 2)

	International Organizations
The UN and its subsidiary bodies/special agencies	<ul style="list-style-type: none"> • United Nations (UN) • Economic and Social Commission for Asia and the Pacific (ESCAP) • United Nations Development Programme (UNDP) • United Nations Population Fund (UNFPA) • United Nations Industrial Development Organization (UNIDO) • United Nations University (UNU) • United Nations Volunteers (UNV) • World Food Council (WFC) • World Food Programme (WFP) • Food and Agriculture Organization of the United Nations (FAO) • International Civil Aviation Organization (ICAO) • International Fund for Agricultural Development (IFAD) • International Labour Organization (ILO) • International Maritime Organisation (IMO) • International Telecommunication Union (ITU) • United Nations Educational, Scientific and Cultural Organization (UNESCO) • Universal Postal Union (UPU) • World Health Organization (WHO) • World Intellectual Property Organization (WIPO) • World Meteorological Organization (WMO) • International Atomic Energy Agency (IAEA) • United Nations Conference on Trade and Development (UNCTAD) • United Nations Environment Programme (UNEP) • Office of the United Nations High Commissioner for Refugees (UNHCR) • United Nations Children's Fund (UNICEF) • UN Commission on Narcotic Drugs (UNCND)

	International Organizations
	<ul style="list-style-type: none"> • United Nations Conference on Transnational Corporation (UNCTC) • International Monetary Fund (IMF) • International Bank for Reconstruction and Development (IBRD) • International Finance Corporation (IFC) • International Development Association (IDA) • UN World Tourism Organization (UNWTO) • Multilateral Investment Guarantee Agency (MIGA) • International Centre for Settlement of Investment Disputes (ICSID) • World Trade Organization (WTO) • Conference on Disarmament (CD) • Economic Commission for Latin America and the Caribbean (ECLAC)
Inter-governmental bodies	<ul style="list-style-type: none"> • FAO/WHO Codex Alimentarius Commission (CAC) • Asian-African Legal Consultative Committee (AALCC) • Afro-Asian Rural Development Organization (AARDO) • Asian Pacific Development Center (APDC) • Asian Productivity Organization (APO) • Asia and Pacific Plant Protection Commission (APPPC) • Asian Pacific Postal Union (APPU) • Asia-Pacific Telecommunity (APT) • Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) • Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) • Eastern Regional Organization for Public Administration (EROPA) • International Bureau of Education (IBE) • International Bureau of Weights and Measures (IBWM) • International Centre for the Study of the Preservation and Restoration of Cultural Property, Rome (ICCROM)

	International Organizations
	<ul style="list-style-type: none"> • International Civil Defense Organization (ICDO) • International Hydrographic Organization (IHO) • International Telecommunications Satellite Organization (INTELSAT) • Intergovernmental Oceanographic Commission (IOC) • Office International des Epizooties (OIE) • Organisation Internationale de Metrologie Legale (OIML) • International Organization for Migration (IOM) • International Poplar Commission (IPC) • Indo-Pacific Fisheries Commission (IPFC) • International Whaling Commission (IWC) • Southeast Asian Ministers of Education Organization (SEAMEO) • International Institute for the Unification of Private Law (UNIDROIT) • World Customs Organization (WCO) • Organisation for Economic Co-operation and Development (OECD) • Asia-Pacific Economic Cooperation (APEC) • Global System of Trade Preferences Among Developing Countries (GSTP) • Asian Development Bank (ADB) • European Bank for Reconstruction and Development (EBRD) • African Development Fund (AfDF) • African Development Bank (AfDB) • South East Asian Central Banks (SEACEN) • South East Asia, New Zealand, Australia (SEANZA) • International Vaccine Institute (IVI) • United Nations Memorial Cemetery (UNMCK) • International Trade Centre (ITC) • Bank for International Settlements (BIS) • Inter-Parliamentary Union (IPU) • Colombo Plan (Colombo Plan) • Global Environment Facility (GEF)

	International Organizations
	<ul style="list-style-type: none"> • International Lead and Zinc Study Group (ILZSG) • Common Fund for Commodities (CFC) • International Textiles and Clothing Bureau (ITCB) • Organisation for the Prohibition of Chemical Weapons (OPCW) • Asian Vegetable Research and Development Center (AVRDC) • International Cotton Advisory Committee (ICAC) • International Commission for the Conservation of Atlantic Tunas (ICCAT) • International Mobile Satellite Organization (IMSO) • Asia-Pacific Fisheries Commission (APFIC) • Western Central Atlantic Fishery Commission (WECAFC) • Committee for Eastern Central Atlantic Fishery (CECAF) • International Commission for the South-East Atlantic Fisheries (ICSEAF) • Northwest Atlantic Fisheries Organization (NAFO) • Indian Ocean Fishery Commission (IOFC) • Indian Ocean Tuna Commission (IOTC) • Pacific International Commission for the Exploration of the Sea; North Pacific Marine Science Organization (PICES) • International Sugar Organisation (ISO) • Convention on Biological Diversity (CBD) • International Grains Council (IGC) • International Tropical Timber Organization (ITTO) • Bureau International des Expositions (BIE) • International Seabed Authority (ISA) • Wassenaar Arrangement • Permanent Court of Arbitration (PCA) • International Energy Agency (IEA) • International Union for the Protection of New Varieties of Plants (UPOV) • Inter-American Development Bank (IDB) • Conference on Interaction and Confidence-Building Measures in Asia (CICA)

	International Organizations
	<ul style="list-style-type: none"> • European Commission for Democracy through Law(Venice Commission) • International Rice Research Institute (IRRI) • Organization for Cooperation of Railway (OSJD) • (The Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia) Information Sharing Center (ReCAAP ISC) • International Oil Pollution Compensation Funds (IOPC Funds) • Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) • Food and Fertilizer Technology Center (FFTC) • Commission for the Conservation of Southern Bluefin Tuna (CCSBT)
Quasi-intergovernmental bodies	<ul style="list-style-type: none"> • Asian Organization of Supreme Audit Institutions (ASOSAI) • Conseil International du Sport Militaire (CISM) • International Association of Ports and Harbors (IAPH) • International Council on Archives (ICA) • International Committee of Military Medicine (ICMM) • International Criminal Police Organization : ICPO-Interpol (ICPO-INTERPOL) • International Electrotechnical Commission (IEC) • International Organization for Supreme Audit Institutions (INTOSAI) • International Organization for Standardization (ISO) • International Union for Conservation of Nature and Natural Resources (IUCN) • United Cities and Local Governments (UCLG) • Permanent. International Association of Navigation Congresses (PIANC)

[Table 2]

Criteria for Imposition of Fine (related to Article 7(1))

Violations	Relevant law	Amount of fine
1. When failing to make a report or making a false report on land acquisition under Article 4 (1)	Article 9 (1) of the Act	
A. Where the period of negligence calculated from the following day of the expiration date of the period for making such a report (hereinafter referred to as the 'period of negligence') is not longer than one month		
1) For an acquisition amount of less than fifty million won		50,000 won
2) For an acquisition amount of not less than fifty million won, but less than one hundred million won		120,000 won
3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won		250,000 won
4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won		500,000 won
5) For an acquisition amount of five hundred million won or more		750,000 won
B. Where the period of negligence is more than one month, but not more than three months		
1) For an acquisition amount of less than fifty million won		120,000 won
2) For an acquisition amount of not less than fifty million won, but less than one hundred million won		250,000 won
3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won		500,000 won
4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won		1 million won
5) For an acquisition amount of five hundred million won or more		1.5 million won
C. Where the period of negligence is more than three months		
1) For an acquisition amount of less than fifty million won		250,000 won
2) For an acquisition amount of not less than fifty million won, but less than one hundred million won		500,000 won
3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won		1 million won
4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won		2 million won
5) For an acquisition amount of five hundred million won or more		3 million won
D. Where making a false report		3 million won

Violations	Relevant law	Amount of fine
<p>2. When failing to make a report or making a false report on land acquisition under Article 5 of the Act, or when failing to report or making a false report on continuous holding of land under Article 6 of the Act</p> <p>A. Where the period of negligence is not longer than one month</p> <p>1) For an acquisition amount of less than fifty million won</p> <p>2) For an acquisition amount of not less than fifty million won, but less than one hundred million won</p> <p>3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won</p> <p>4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won</p> <p>5) For an acquisition amount of five hundred million won or more</p> <p>B. Where the period of negligence is more than one month, but not less than three months</p> <p>1) For an acquisition amount of less than fifty million won</p> <p>2) For an acquisition amount of not less than fifty million won, but less than one hundred million won</p> <p>3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won</p> <p>4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won</p> <p>5) For an acquisition amount of five hundred million won or more</p> <p>C. Where the period of negligence is more than three months, but less than six months</p> <p>1) For an acquisition amount of less than fifty million won</p> <p>2) For an acquisition amount of not less than fifty million won, but less than one hundred million won</p> <p>3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won</p> <p>4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won</p> <p>5) For an acquisition amount of five hundred million won or more</p> <p>D. Where the period of negligence is longer than six months, but less than one year</p> <p>1) For an acquisition amount of less than fifty million won</p> <p>2) For an acquisition amount of not less than fifty million won, but less than one hundred million won</p>	Article 9 (2) of the Act	<p>20,000 won</p> <p>40,000 won</p> <p>70,000 won</p> <p>100,000 won</p> <p>150,000 won</p> <p>40,000 won</p> <p>70,000 won</p> <p>100,000 won</p> <p>150,000 won</p> <p>250,000 won</p> <p>100,000 won</p> <p>150,000 won</p> <p>200,000 won</p> <p>300,000 won</p> <p>450,000 won</p> <p>200,000 won</p> <p>300,000 won</p>

Violations	Relevant law	Amount of fine
3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won		400,000 won
4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won		500,000 won
5) For an acquisition amount of five hundred million won or more		700,000 won
E. Where the period of negligence is more than one year, but less than three years		
1) For an acquisition amount of less than fifty million won		300,000 won
2) For an acquisition amount of not less than fifty million won, but less than one hundred million won		400,000 won
3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won		500,000 won
4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won		600,000 won
5) For an acquisition amount of five hundred million won or more		800,000 won
F. Where the period of negligence is to more than three years		
1) For an acquisition amount of less than fifty million won		400,000 won
2) For an acquisition amount of not less than fifty million won, but less than one hundred million won		500,000 won
3) For an acquisition amount of not less than one hundred million won, but less than three hundred million won		600,000 won
4) For an acquisition amount of not less than three hundred million won, but less than five hundred million won		800,000 won
5) For an acquisition amount of five hundred million won or more		1 million won
G. Where making a false report		1 million won
<p>Note: 1. The acquisition amount shall be based on what is stated in the report. However, if the acquisition amount is lower than the individual official land price in the year in which the reason for the report occurs, or if the acquisition amount is not stated in the report, the individual official land price shall be applied.</p> <p>2. When it is judged that there is a cogent reason for failing to make a report, i.e. a situation beyond the relevant party's control including natural disasters, the relevant period may be excluded from the period of negligence.</p>		

[Document form No.1]

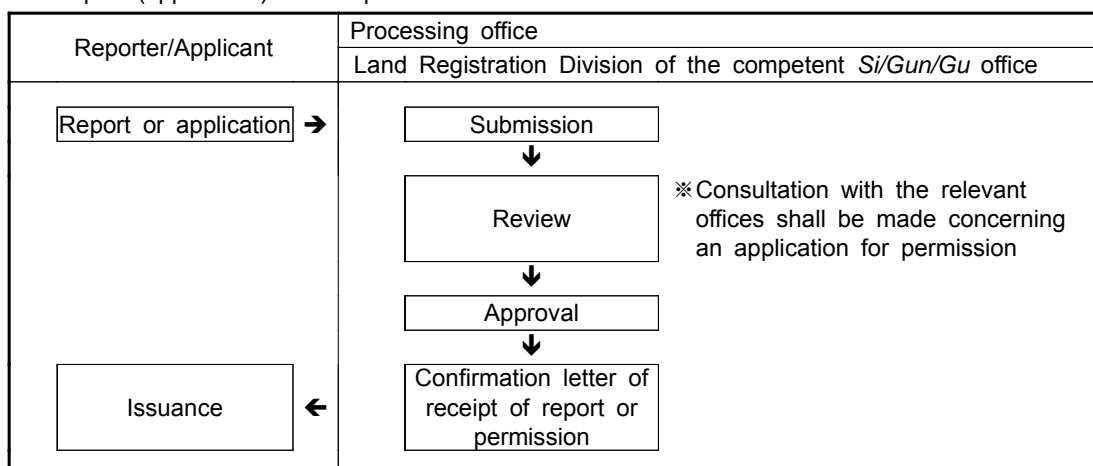
(Front side)

<input type="checkbox"/> Report on land acquisition <input type="checkbox"/> Report on continuous holding of land <input type="checkbox"/> Application for permission of land acquisition			Processing period For report: Immediately For application: 15 days		
Date of submission			Serial No.		
Reporter/Applicant	Name (Name of corporation)		Alien (corporation) registration number		
	Nationality		① Date of nationality acquisition		
	Date of birth (Date of establishment of the corporation)		Phone number		
	② Address	(Equity share: %)			
Matters to be reported (to be included in the application)	③ Cause for acquisition		④ Detailed cause		
	⑤ Date of occurrence of the cause		⑥ Price paid		Won
	⑦ Location/lot number /land category/size /equity share	(Legal land category:) /(Land size: m ²) /(Equity share: %)			
	⑧ Intended use of land				
<p>To the Head of the Si/Gun/Gu,</p> <p>I, the undersigned, submit my report (application for permission) as above pursuant to Article 4 through 6 of the Foreigner's Land Acquisition Act and Article 3 of the Enforcement Decree of the said Act.</p> <p style="text-align: center;">Date: Year Month Day</p> <p style="text-align: center;">Reporter/Applicant: _____ (Signature or Seal)</p>					
Document attached		Documents to be submitted by the Reporter/Applicant (Representative)		Matters to be checked by the official in charge	
	For a report on land acquisition	1. In the case of donation: Donation contract 2. In the case of inheritance: Document verifying the identity of the inheritor 3. In the case of auction: Written decision of the successful bid 4. In the case of exercise of redemptive right: Document verifying the redemption 5. In the case of the court's final judgment: Court's final judgment in written 6. In the case of merger between corporations: Document verifying the merger		A certified copy of the land registration/ A certified copy of building registration (This applies only to multi-unit buildings). ※ The official in charge shall check the foregoing facts through sharing administrative information under Article 21 (1) of the Electronic Government Act.	
	For a report on continuous holding of land	A document verifying that a corporation or organization established under the country's laws and regulations has been changed into a foreign juristic person or organization. (This applies only when the reporter is a juristic person or organization).			
	For a application for permission of land acquisition	An agreement for land transaction			

(Reverse side)

Notes	<p>1. When submitting a report or an application, the reporter/applicant shall present a certified identification, such as a passport. In cases of an electronic report/application, the identification will be checked in the form of electronic authentication.</p> <p>2. When submitting an electronic report/application, evidentiary documents shall be attached or submitted separately by mail or fax to the relevant authorities when it is not possible to attach those documents to the report/application.</p> <p>* The confirmation letter of receipt of report shall be sent immediately upon checking the documents submitted.</p>
How to fill in	<p>① "Date of nationality acquisition" shall be filled in, in cases of a report on continuous holding of land.</p> <p>② For the "equity share" of the address section, please state your equity share if it concerns a joint acquisition.</p> <p>③ For the "cause for acquisition," please choose from among: Contract/other than contract/continuous holding.</p> <p>④ For the "detailed cause," please choose from among: Transaction/exchange/donation/inheritance/auction/exercise of redemptive right/the court's final judgment/merger between juristic persons/change of nationality.</p> <p>⑤ For the "date of occurrence of the cause," please choose from among: Contract date/date of the decision on donation/date of the inheritance (date of the predecessor's demise)/date of the decision on the successful bid/date of the redemption contract/date of the court's final judgment/date of the merger/date of the change of nationality.</p> <p>⑥ "Acquisition amount" may be left blank if it is difficult to calculate the amount of your equity share of the land for a multi-unit building such as an apartment.</p> <p>⑦ "Location/land lot number/land category/size/equity share" shall be filled in in detail, including the location of the real estate, land lot number (including the apartment number), land category, and size and equity share (if applicable).</p> <p>⑧ For the "intended use," please choose from among: Site for residential use [(apartment), (private house), (other)]/a site for leisure use/a site for a commercial use/a site for manufacturing use/others.</p>

This report (application) will be processed as follows:



[Document form No.2]

<input type="checkbox"/> Confirmation letter of receipt of report on land acquisition <input type="checkbox"/> Confirmation letter of receipt of report on continuous holding of land <input type="checkbox"/> Land acquisition permission				
Date of receipt			Serial No.	
Reporter/ Applicant	Name (Name of corporation)		Alien (corporation) registration number	
	Nationality		Date of nationality acquisition	
	Date of birth (Date of establishment of corporation)		Phone number	
	Address	(Equity share: %)		
Matters to be reported (to be included in the application)	Cause for acquisition		Detailed cause	
	Date of occurrence of the cause		Price paid	_____ Won
	Location/lot number /land category/size/equity share	(Legal land category _____) /(Land size _____ m ²) /(Equity share _____ %)		
	Intended use of land			
<p>The receipt of your report/application for permission as above is confirmed/granted under Article 4 through 6 of the Foreigner's Land Acquisition Act and Article 3 of the Enforcement Decree of the said Act.</p> <p style="text-align: right;">Date: Year Month Day</p> <p style="text-align: center;">The Head of the relevant <i>Si/Gun/Gu</i> Official seal</p>				

[Document form No.3]

Management Register for Land Acquisition Report and Permission

Serial No.	Date of receipt	Date of processing	Purchaser							Status of land					Remarks
			Name (Name of corporation)	Classification (Individual/ corporation /organization/ governmental institution)	Nationality	Date of birth (Date of establishment of corporation)	Real Estate Registration Number	Address	Phone number	Location	Cause for acquisition	Intended use	Size (㎡)	Price paid (Thousand won)	

< Appendix IV >

Excerpts from
Foreign Exchange Transactions Act

The Enforcement Decree of the Act
The Enforcement Regulations of the Act

November 2009

Ministry of Strategy and Finance

Foreign Exchange Transactions Act

Article 3 (Definition) (1) The definitions of the terms used in this Act shall be as follows:

14. The term “residents” means any private person who has a domicile or residence in the Republic of Korea, and any juristic person whose main office is located in the Republic of Korea.
15. The term “non-residents” means any private person and any juristic person other than residents: *Provided*, That branch offices, local offices or other offices or non-residents located in the Republic of Korea, shall be deemed to be residents notwithstanding whether such offices have an agent's authority by law.

The Enforcement Decree of the Foreign Exchange Transactions Act

Article 10 (Residents and Non-Residents) (1) The following persons shall be deemed to be residents pursuant to Article 3 (2) of the Act.

1. Overseas diplomatic missions of the Republic of Korea;
2. Organizations, agencies or other equivalent entities whose main offices are in the Republic of Korea;
3. Nationals of the Republic of Korea hereunder:
 - (a) Persons who have stayed at a foreign country for the purpose of serving in an overseas diplomatic mission of the Republic of Korea;
 - (b) Non-residents who have stayed for not less than three months after entering the country; and
 - (c) Persons who are necessary to be deemed as residents by the Minister of Strategy and Finance considering their business operations, the main place of residence, etc.
4. Foreigner hereunder (excluding those falling under paragraph (2) 2 and 6 (a),(b)):
 - (a) Persons who have been engaged in business activities in the Republic of Korea
 - (b) Persons who have stayed in the Republic of Korea for not less than six months

(2) The following persons shall be deemed to be non-residents pursuant to Article 3 (2) of the Act:

1. Diplomatic missions of foreign governments and international organizations at home;
2. The United States Armed Forces and equivalent United Nations Forces (hereinafter in this paragraph referred to as “United States Armed Forces”), members, civilian employees, invited contractors of the United States Armed Forces and their family members living together and non-appropriated fund agencies, military post offices and banking institutions of the United States Armed Forces;
3. Business offices or other offices abroad of Korean corporations;
4. Organizations, agencies, or other equivalent entities whose main offices are abroad; and
5. Nationals of the Republic of Korea hereunder:
 - (a) Persons who have been engaged in business activities abroad;
 - (b) Persons who have served in international organizations abroad;
 - (c) Persons who have stayed abroad for not less than two years (a temporary visit to Korea for a stay of no more than 3 months is regarded as part of the 2-year period stated above); and
 - (d) Persons who are necessary to be deemed as non-residents by the Minister of Strategy and Finance considering their business operations, the main place of residence, etc.

6. Foreigners hereunder:

- (a) Diplomats, consuls who have been dispatched to serve in foreign governments' missions or international organizations at home and stayed and their attendants or employees;
 - (b) Persons who enter the country for official functions of foreign governments or international organizations; and
 - (c) Persons who have been resident foreigners have stayed abroad for not less than 3 months
- (3) Family members living together whose livelihood is mainly maintained by a resident or non-resident shall be classified as residents or non-residents, depending on the classification of the resident or non-resident concerned

The Regulations on Foreign Exchange Transactions

Section 5 Non-resident's Acquisition of Real Estate in Korea

< Amended by the Ministry of Finance and Economy's Public Notice No 2007-62 on Dec.17, 2007>

Article 9-42 (Reporting Procedure) (1) In cases where a non-resident intends to acquire real estate or its related real right, lease right, or other similar rights, such acquisition falling under any of following categories does not require to make a report:

1. Where a non-resident with mining right by lease acquires real estate or its related rights in Korea pursuant to provisions of the Submarine Mineral Resources Development Act
 2. Where a non-resident lease real estate in Korea by for him/herself or his/her relatives or employees as a residence
 3. Where a non-resident Korean national acquires real estate or its related rights in Korea
 4. Where a non-resident acquires real estate other than land or its related rights in Korea from a non-resident in Korea
 5. Where a non-resident foreign national acquires real estate or its related rights in Korea as a result of inheritance or bequest < Newly established by the Ministry of Finance and Economy's Public Notice No. 2001-19 on Nov. 6, 2001>
- (2) Excepting cases falling under paragraph (1), in cases where a non-resident intends to acquire real estate or its related rights in Korea falling under any of following categories, he/she shall submit a report to the head of a foreign exchange bank, using the real estate acquisition report form (Enclosure 9-12), with documents verifying the relevant real estate transaction or acquisition of the relevant collateral attached. <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
1. Where such acquisition is made with funds brought or remitted from a foreign country (including funds deposited in an external account)
 2. Where collateral right is acquired through a state-recognized transaction with a resident <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
 3. Where real estate or its related rights is acquired from a non-resident who has acquired real estate or its related rights with funds stated in the foregoing Subparagraph 1 (including a case where payment is made directly in a foreign country) or a method stated in the foregoing Paragraph (1) and the foregoing Subparagraph 2 <Amended by the Ministry of Finance and Economy's Public Notice No. 2005-25 on Jan. 1, 2006>

- (3) Excepting the cases falling under the foregoing Paragraph (1) and Paragraph (2), in cases where a non-resident intends to acquire real estate or its related rights in Korea, he/she shall report it to the Governor of the Bank of Korea.

Article 9-43 (Payment of Proceeds from the Sale, etc.)

- (1) In cases where a non-resident intends to pay the proceeds from the sale of real estate and its related rights in Korea acquired with a method falling under any of the following categories, he/she shall submit documents verifying such acquisition and sale to the head of a foreign exchange bank:
Provided, That in cases where an overseas Korean national takes his/her property in Korea out of the country, provisions of Article 4-7 shall apply. <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
1. Where real estate or its related rights in Korea is acquired pursuant to Article 9-42 (1) 1 through 4 with funds as stated in Article 9-42 (2) 1 <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec.17, 2007>
 2. Where real estate or its related rights in Korea is acquired pursuant to Article 9-42 (2): *Provided*, That in cases where real estate or its related rights in Korea is acquired pursuant to subparagraph 4 of Article 7-13, such cases shall be exceptions <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
 3. Where real estate or its related rights in Korea is acquired pursuant to Article 9-42 (1) 5 and Article 9-42 (3) <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
- (2) Excepting cases falling under the foregoing Paragraph (1), in cases where a non-resident intends to purchase a foreign means of payment in order to pay the proceeds from the sale of real estate or its related rights in Korea to a party in a foreign county, he/she shall report it to the Governor of the Bank of Korea pursuant to Article 7-21 (3) using the form of the Report on Sales of Foreign Means of Payment (Enclosure 7-4) <Amended by the Ministry of Finance and Economy's Public Notice No. 2005-25 on Jan. 1, 2006>
- (3) <Deleted by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>

Article 2-3 (Disposal of Foreign Exchange)

- (1) A foreign exchange bank may dispose of foreign exchange for domestic means of payment only in one of the following cases:
1. Disposal of foreign exchange to a resident falling under one of the following categories:
 - (a) In cases where a person intends to purchase foreign exchange in order to use it in a state-recognized transaction or payment in such a transaction
 - (b) In cases of disposal of foreign exchange to a foreign resident in which the disposal amount is not more than \$10,000 following his/her most recent entry in Korea or does not exceed the amount stated in Article 4-4 (1) and (2) <Amended by the Ministry of Strategy and Finance's Public Notice No.2008-6 on Jun. 2, 2008>
 - (c) In cases where a resident (except for foreign residents) purchases foreign exchange to possess foreign currencies, traveler's checks or travelers' cards <Amended by the Ministry of Finance and Economy's Public Notice No. 2002-12 on Jul. 2, 2002>
 - (d) In cases of disposal of foreign exchange to make a deposit in a resident account and a resident foreign currency trust account pursuant to Article 7-8 (1) 2
 - (e) In cases of disposal of foreign exchange to transfer it to another foreign exchange bank:

Provided, That in cases of transferring to external account and non-resident foreign exchange trust account, only a state-recognized transaction shall be allowed.

2. Disposal of foreign exchange to a non-resident falling under one of the following categories:
 - (a) Where the amount does not exceed the aggregate amount of the non-resident's sale of foreign exchange to a foreign-exchange-handling institution or a money exchanger in return for the local currency or a Won-denominated traveler's check during his/her stay in Korea following his/her most recent entry in Korea
 - (b) Where the amount does not exceed the aggregate amount of the non-resident's sale of foreign exchange to an overseas branch of a foreign exchange bank or a financial institution in a foreign country or a foreign financial institution stated in Article 7-48 (1) 8 in return for a local currency or Won-denominated traveler's check <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
 - (c) Where the amount does not exceed the amount drawn by a non-resident holding a credit card or debit card issued in a foreign country in the form of a cash service in Won or a debit card-based withdrawal in Won in Korea
 - (d) Where the amount is not more than \$10,000 in cases of a non-resident who does not have a record of disposal of foreign exchange under (a) through (c)
 - (e) Where it is for external payment as a result of a state-recognized transaction
 - (f) Where the amount does not exceed the amount stated in Article 4-4 <Newly established by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
3. Notwithstanding the foregoing Subparagraph 1 (b) and Subparagraph 2 (e), in cases of disposal of foreign exchange for payment falling under one of the following categories, the intended purchaser shall report it to the Governor of the Bank of Korea, using the form of Report on the Sales of Foreign Means of Payment (Enclosure 7-4).
 - (a) Payment of principal regarding a domestic Won currency deposit/trust account under Article 7- 6 (1) 2: *Provided*, That, Article 4-7 shall be applied to cases of an overseas Korean national taking his/her property in Korea out of the country. <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
 - (b) A foreign resident's payment of proceeds from the sale of real estate purchased in Korea: *Provided*, That the foregoing shall not be applied to cases of paying proceeds from the sale of real estate purchased in Korea with funds brought or remitted from a foreign country (including the funds deposited in external account).
 - (c) A non-resident's payment of proceeds from the sale of domestic properties after the provision of collateral or security concerning a transaction between non-residents, except for substitute payment as a result of collateral or security regarding loans to overseas Korean nationals <Amended by the Ministry of Finance and Economy's Public Notice No. 2007-62 on Dec. 17, 2007>
 - (d) External payment of Won-denominated funds acquired by a non-resident pursuant to Article 2-6 (only in cases where a resident provides collateral or security), Subparagraph 4 of Article 7-13, Article 7-16, Subparagraph 9 of Article 7-17, Subparagraph 11 and 18 of Article 7-45: *Provided*, That Article 4-7 shall be applied to cases where an overseas Korean national intends to pay Won-denominated funds acquired pursuant to Article 2-6 or Subparagraph 18 of Article 7-45 to a party in a foreign country. <Amended by the Ministry of Strategy and Finance's Public Notice No. 2009-2 on Feb. 4, 2009>
 - (e) Payment made in return for domestic means of payment in excess of the scope stated in Subparagraph 1 (b) and Subparagraph 2

Article 4-4 (Payment by Non-resident or Foreign Resident)

- (1) Notwithstanding Article 4-2 (1), a non-resident and a foreign resident may make payment only after submitting document verifying how the funds stated in each of the following category have been acquired and obtaining the confirmation of the head of a foreign exchange bank about a document verifying how the funds stated in each of the following category have been acquired:
1. Funds falling within the scope of foreign means of payment received or brought by a non-resident or a foreign resident (including his/her spouse and a direct family member) from a foreign country pursuant to this Regulation: *Provided*, That this shall apply only to foreign means of payment received or brought following his/her most recent entry in this country in cases of a non-resident. <Amended by the Ministry of Strategy and Finance's Public Notice No. 2009-2 on February 4, 2009>
 2. Funds falling within the scope reported to the Governor of the Bank of Korea under Article 2-3 (1) 3
 3. Funds paid through a designated foreign exchange bank, such as remuneration earned in Korea by means of employment/work or income earned by being engaged in a liberal profession and social insurance/security payment or pension paid in Korea or other sources of income similar to the amount of such income
 4. Payment of consular revenue or other handling charges collected by a foreign diplomatic mission in Korea
 5. Payment within the scope of record of sale under Article 2-2 (1) 4
 6. Payment made by a non-resident under Article 2-3 (4)
 7. Payment of funds acquired in the country under a state-recognized transaction
- (2) In cases of a non-resident, etc. who does not fall under any category of the foregoing paragraph (1) pay make a payment a sum of not more than \$50,000 annually (including the amount stated in Article 4-5 (6)) through a designated foreign exchange bank under the foregoing Paragraph (1) 3 <Amended by the Ministry of Strategy and Finance's Public Notice No. 2008-6 on Jun. 2, 2008>
- (3) Notwithstanding the foregoing Paragraphs (1) and (2), a non-resident and a foreign resident may pay the following:
1. Foreign currency purchased pursuant to Article 2-3 (1) 2 (d)
 2. Foreign resident's travel expenses to a foreign country not exceeding \$10,000 <Newly established by the Ministry of Strategy and Finance's Public Notice No. 2009-2 on February 4, 2009>

Guidelines on Foreign Exchange Transactions

Section 5 Non-resident's acquisition of real estate in Korea <Chapter 9, Section 5>

Item	Contents	Documents to be submitted	Notes
1. Non-residents' acquisition of real estate or its related rights in Korea (Article 9-42 (2)) [Report] Capital	In cases where a non-resident acquires real estate or its related rights in Korea	<ol style="list-style-type: none"> 1. Report on Real Estate Acquisition Report (Form 9-12) and a document accompanying the report 2. Report on Lease Contract Report (if applicable) (Form 7-9) 3. Report on Collateral Provision (in cases where a resident provides collateral for a non-resident) (Form 7-16) 4. Real Estate Sales Contract 5. In cases of a transaction involving collateral acquisition whose factor constituting a cause requires permission or report, a document verifying the cause and collateral acquisition, such as a contract to establish the right to collateral security 	<ol style="list-style-type: none"> 1. Only funds brought or remitted (including funds deposited in an external account) from a foreign country are recognized as funds that can be spent on the acquisition of real estate or its related rights in Korea (herein after referred to as "real estate in Korea, etc."): <i>Provided</i>, That the foregoing does not apply to the cases falling under any of following categories (Article 9-42 (1), (2) 2, (2) 3) <ol style="list-style-type: none"> (a) Acquisition of a collateral right as a result of a state-recognized transaction with a resident (b) A non-resident's acquisition of real estate from another non-resident who has acquired it with funds brought or remitted (including funds deposited in an external account) from a foreign country (including a case of direct payment made in a foreign country) (c) A non-resident's acquisition of real estate or its related rights in Korea from another non-resident who has acquired it pursuant to Article 9-42 (1) and (2) 2 2. Upon receipt of a non-resident's report on the acquisition of real estate in Korea, etc., the foreign exchange bank shall issue certificate of completion of report on real estate acquisition or lease contract or collateral provision. 3. In cases of a non-resident's acquisition of real estate in Korea (not including acquisition of a collateral right) from another non-resident who has acquired it, the relevant person should submit a report on transfer of a right, such as ownership, to the head of the foreign exchange bank to which he/she submitted the first acquisition report on real estate, etc., with a document verifying the transfer of the right for the relevant real estate attached, along with the certificate of completion of report on real estate acquisition or the report on lease contract stated in Notes 2.

Item	Contents	Documents to be submitted	Notes
			<p>4. Upon receipt of the report on transfer of a right, the head of the foreign exchange bank should mark "Completion of report on transfer of a right" in red in the bottom right-hand corner of the original certificate of completion of report on real estate acquisition or report on lease contract, etc., state the facts concerning the report on transfer of a right (name of the transferee, amount of the transfer, and date of the report) on the reverse side, affix the seal of the employee in charge of checking, return the original to the reporter, and keep a copy.</p> <p>5. In cases where a resident provides a non-resident with real estate in Korea as collateral, the relevant resident can be a reporter.</p>
2. Payment of proceeds from the sale of real estate or its related rights in Korea (Article 9-43)	In cases where a non-resident intends to pay proceeds from the sale of real estate, etc. in Korea to a party in a foreign country	<p>1. Application for payment (Form 3-1)</p> <p>2. A document verifying the acquisition of real estate, etc. (such as certificate of completion of report on the real estate acquisition)</p> <p>3. A document verifying the sale (such as a sales contract)</p> <p>4. Confirmation letter of real estate sales funds or confirmation letter (application) on the payment of transfer income tax (issued by the head of a competent tax office)</p>	<p>1. Whether the funds used to acquire real estate in Korea are funds brought or remitted from a foreign country</p> <p>2. Whether the funds are from the sale of real estate, etc. in Korea acquired through the exercise of collateral right as a result of a state-recognized transaction with a resident: <i>Provided</i>, That In cases where a non-resident intends to purchase foreign means of payment to pay proceeds from the sale of real estate, etc. in Korea acquired pursuant to Subparagraph 4 of Article 7-13, he/she shall report it to the Governor of the Bank of Korea (Article 7-21 (3)).</p> <p>3. In cases where an overseas Korean national takes his property out of the country, the foregoing Chapter 4, Section 5 shall apply.</p> <p>4. In cases where a non-resident intends to pay proceeds from the sale of real estate, etc. in Korea acquired through inheritance or bequest pursuant to Article 9-42 (1) 5 or pay proceeds from the sale of real estate, etc. acquired after reporting it to the Governor of the Bank of Korea pursuant to Article 9-42 (3), he/she may remit the relevant funds to a foreign country after having it confirmed by the head of a foreign exchange bank pursuant to this Article.</p>

[Enclosure/ Form 9-12]

Report (Receipt of Report) on Real Estate Acquisition		Processing period
Applicant	Name of business and representative	[seal]
	Address (Location)	(Phone number)
	Type of business (Profession)	
Contents	Acquirer	(Name) (Address) (Phone number)
	Counterparty	(Name) (Address) (Phone number)
	Type of real estate	
	Location	
	Size/Quantity/Amount	
	Acquisition value	(Acquisition price)
	Period of acquisition	
	Reason for acquisition	
<p>To the Governor of the Bank of Korea (the head of the foreign exchange bank),</p> <p>I hereby report as above in accordance with Article 18 of the Foreign Exchange Transactions Act.</p> <p style="text-align: right;">Date: Year Month Day</p>		
To the applicant (reporter) The aforesaid report is received as follows:	Report (receipt of report) No.	
	Report (receipt of report) amount	
	Term of validity	
<p>Conditions for receipt of the report: Date: Year Month Day The Governor of the Bank of Korea [Seal] (the head of the foreign exchange bank)</p>		

〈Documents attached〉

1. Real estate sales contract
2. Written appraisal of real estate
3. Other documents required at the time of report/receipt of report on real estate acquisition

[Enclosure/ Form 7-9]

Report on Lease Contract		Processing period
Applicant	Name of business and representative	[Seal]
	Address (Location)	(Phone number)
	Type of business (Profession)	
Contents	Lessor	(Name) (Address) (Phone number)
	Lessee	(Name) (Address) (Phone number)
	Type of leased object	
	Location	
	Size/Quantity/Amount	
	Value of leased object	(Rent)
	Lease period	
	Reason for lease	
<p>To the Governor of the Bank of Korea (the head of the foreign exchange bank),</p> <p>I hereby report as above in accordance with Article 18 of the Foreign Exchange Transactions Act.</p> <p style="text-align: right;">Date: Year Month Day</p>		
		Report No.
		Date of report
<p>Institution receiving the report: the Governor of the Bank of Korea (the head of the foreign exchange bank)</p>		

〈Documents attached〉

1. Lease contract
2. Document verifying the lease object
3. Document verifying the reason of lease
4. Other documents recognized as necessary by the head of the relevant institution

[Guidelines/ Form 7-16]

Report on Collateral Provision		Processing period
Reporter	Name of business and representative	[Seal]
	Address (Location)	(Phone number :) (E-mail :)
	Type of business (Profession)	
Contents	Collateral provider	(<input type="checkbox"/> resident/ <input type="checkbox"/> non-resident)
	Collateral acquirer	(<input type="checkbox"/> resident/ <input type="checkbox"/> non-resident)
	Beneficiary of collateral provision	(<input type="checkbox"/> resident/ <input type="checkbox"/> non-resident)
	Type of collateral	<input type="checkbox"/> Real estate <input type="checkbox"/> Movable property <input type="checkbox"/> Securities <input type="checkbox"/> Deposit (cash) <input type="checkbox"/> Other()
	Location of collateral	
	Size/quantity/amount	
	Value of collateral	
	Period of collateral provision	
	Use of collateral	<input type="checkbox"/> Concerning the repayment of principal of loans made to an overseas Korean national, etc. <input type="checkbox"/> Concerning local financing provided to a resident or his/her local corporation <input type="checkbox"/> Concerning local loans provided to a local corporation of security firm <input type="checkbox"/> Collateral provision by the domestic headquarter, etc. concerning overseas lease of resident's local corporation <input type="checkbox"/> Collateral provision by the headquarter concerning local loans to a local corporation of a domestic facility lease company <input type="checkbox"/> Concerning long-term loans of top 30 debtor companies of major debtor group <input type="checkbox"/> Other ()
To the head of the foreign exchange bank, I hereby report as above in accordance with Article 18 of the Foreign Exchange Transactions Act. Date: Year Month Day		
To the applicant,	Report No.	
	Report amount	
	Term of validity	
The aforesaid report is completed as follows.		Date: Year Month Day
Conditions for report:		Report receiving institution: _____ (Seal)

<Documents attached>

1. Collateral provision contract
2. Documents verifying the collateral

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