

October 31, 2012

New Ordinance on Detailed Conditions and Procedures to Allow Foreign Medical Institutions within Free Economic Zones (FEZs)

Despite the intent of the April 20, 2012 amendments to the enforcement decree of the Special Act on Designation and Management of Free Economic Zones to make the entry of foreign medical institutions into the Korean market easier, a lack of rules on detailed establishment procedures has made it difficult to set-up foreign medical institutions within the FEZs. On October 29 2012, the Ministry of Health and Welfare passed an “Ordinance on the Detailed Conditions and Procedures to Allow Foreign Medical Institutions within the FEZs” to pave the way for the establishment of foreign hospital franchises to provide care to foreigners in need of “more sophisticated medical services”.

Under the new ordinance, foreign medical institutions to be established within the FEZs must operate in cooperation with medical facilities established and operated under foreign countries’ laws and regulations, and have at least 10 % of their medical practitioners consist of foreign-licensed dentists and doctors. Additionally, each department must have at least one doctor with a degree from a foreign medical school. The ordinance also stipulates the screening system and detailed approval procedures.

This ordinance sets forth the minimum criteria and pre-conditions for construction of international, for-profit hospitals in Korea and bolsters the legal framework for the establishment of foreign medical institutions in Korea.

If there is any question regarding the above, please contact us as set out below.

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