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South Korea: FIPA notification and MOTIE security review reshape the FDI landscape

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The Republic of Korea (Korea) maintains a predominantly open foreign investment regime, with approximately 99.7% of business categories accessible to foreign investors. However, certain foreign investments trigger mandatory notification requirements and discretionary security review mechanisms. This article addresses the dual regulatory framework governing foreign direct investment in Korea: the Foreign Investment Promotion Act (FIPA) notification requirement and the Ministry of Trade, Industry and Energy (MOTIE) security review authority. These are two distinct, independent processes operating on different timelines with different triggers. Understanding the distinction between mandatory notification and discretionary security review is essential for any foreign investor undertaking significant capital commitments in Korea, particularly in technology-intensive or defence-related sectors.

FIPA notification requirement: legal framework and procedures

Before assessing the notification thresholds below, it is crucial to verify whether the target company operates in a business sector open to foreign investment. Under the FIPA's negative list system, sectors are categorised as Prohibited Industries (where foreign investment is strictly barred, such as nuclear power generation and terrestrial/radio broadcasting)[1] or Restricted Industries (where investment is permitted only up to certain equity limits – typically less than 50% – or upon satisfying specific conditions, such as in telecommunications, power transmission/distribution, and air transport).[2]

Subject to the foregoing sectoral eligibility, a foreign investment triggers mandatory FIPA notification when two conditions are both satisfied: (1) the investment amount equals or exceeds 100 million won, equivalent to approximately US$73,000 at January 2026 exchange rates;[3] and (2) the foreign investor acquires 10% or more equity ownership in a Korean corporation, or acquires the right to appoint or remove one or more directors of a Korean corporation.[4] Both conditions must be met simultaneously for notification to be required. To be clear, even if a foreign investment into a company does not satisfy either of the two abovementioned conditions, if the same investor makes subsequent foreign investments into the same company which cumulatively satisfies both conditions, the mandatory FIPA notification would be triggered for such latest foreign investment that causes the satisfaction of the abovementioned conditions. That said, the thresholds are evaluated independently with respect to multiple investments by the same investor across different companies.

The scope of the FIPA is limited to direct investments. Indirect investments, such as investment in a foreign parent company that subsequently holds shares in a Korean company, do not trigger FIPA notification obligations, even if the aggregate foreign investment interest exceeds the statutory thresholds.[5] This distinction is important for investors using holding company structures or fund vehicles. Acquisitions of equity interests in Korean companies are subject to full FIPA notification requirements. Additionally, such acquisitions may trigger separate reporting obligations under the Foreign Exchange Transaction Act (FETA) if they involve transactions in unlisted companies[6] below the FIPA threshold.

Procedurally, while MOTIE is the principal competent authority, foreign investors must file notification with a designated foreign exchange bank (generally one of the major Korean commercial banks such as KB Kookmin, Shinhan, Woori, KEB Hana etc), or with the Korea Trade-Investment Promotion Agency (KOTRA), to which the authority to accept such filings is delegated under the FIPA. For most acquisitions of existing equity interests, the notification must be filed before the investment is executed and the equity transfer is completed.

From a practical standpoint, FIPA notifications may be supported by various documentary forms demonstrating the transaction. Official documentation (such as executed transaction documents, stock certificates, or certificates of acquisition) is the preferred evidentiary form. However, MOTIE and KOTRA practice indicates that preliminary documentation (such as memoranda of understanding, term sheets, or heads of terms) may be acceptable if it clearly evidences the transaction parties, investment structure, investment amount, timeline, and intended governance. Investors should consult with designated intermediaries or retained Korean counsel to confirm acceptability of documentation before filing.

Upon receipt of a completed notification with appropriate supporting documentation, the designated foreign exchange bank or KOTRA issues a certificate of acceptance within a couple of business days, with no material processing delay or substantive review.[7] This certificate confirms the foreign investment registration for tax purposes and eligibility for investment incentive programmes, such as tax and R&D credits. Critically, the notification certificate does not constitute MOTIE approval or regulatory clearance of the transaction if the transaction falls into a category of that requires MOTIE approval or other regulatory clearance. Many foreign investors mistakenly believe that obtaining a FIPA notification certificate constitutes 'approval' of the investment and that the transaction may proceed freely thereafter – this is a significant misunderstanding. The notification certificate merely confirms compliance with the mandatory reporting requirement and provides no protection against subsequent MOTIE security review objections or conditions.

Quick assessment: will your transaction require formal MOTIE approval?

Subject to the foreign investment triggering the Mandatory FIPA Notification as discussed in the 'FIPA notification requirement: legal framework and procedures' section above, before conducting extensive legal due diligence or engaging MOTIE in formal proceedings, a foreign investor should determine the likelihood that the contemplated transaction would trigger a formal MOTIE security review and approval. This assessment is critical because such review and approval procedure materially affects timeline (formal review adds approximately 60–180 days beyond notification), and adds complexity to the contemplated transaction. Most notifications proceed without undergoing MOTIE scrutiny. While only a very small proportion of notifications trigger a formal approval review by MOTIE, the distinction is not always clear *ex ante*, and MOTIE's discretionary review authority has expanded significantly in 2024–2025, meaning that transactions initially categorised as requiring only a routine notification are increasingly flagged for formal review by MOTIE post-filing.

Your transaction likely requires formal MOTIE approval if any of the following applies:

1. the target company is designated as a 'defence industry company' under the Defence Acquisition Program Act, triggering mandatory formal review and independent Defence Ministry vetting, which adds 60–90+ days to the timeline;
2. the foreign investor is acquiring 50% or more equity ownership in a company holding 'national core technology' (NCT) – currently comprising 79 technologies across 13 fields[8] (semiconductors (11 NCTs), displays (2 NCTs), electrical & electronics (5 NCTs), automobile/railway (10 NCTs), steel (10 NCTs), shipbuilding (8 NCTs), nuclear power (4 NCTs), information & communication (7 NCTs), space (5 NCTs), biotechnology (4 NCTs), machine (8 NCTs), robot (3 NCTs), hydrogen (2 NCTs)) triggering mandatory review under the Industrial Technology Protection Act (ITPA);
3. the foreign investor is acquiring less than 50% equity but with demonstrable dominant influence (board control, largest shareholder status, or major loan provision to the company) in a company that holds NCT;
4. the transaction involves acquisition of a company holding 'national high-tech strategic technology' (NHTST) – currently comprising 19 technologies across five fields[9] (semiconductors (8 NHTSTs), display (4 NHTSTs), secondary battery (3 NHTSTs), bio (3 NHTSTs), robot (1 NHTST), and defence (1 NHTST)) triggering mandatory review under the National High-Tech Strategic Industries Act (NHTSIA); or
5. MOTIE exercises discretionary ex officio review authority based on preliminary national security assessment, increasingly common post-notification in 2024–2025.

If none of the above criteria apply, your transaction likely proceeds as a routine notification that takes typically 1–3 business days to process without the need for any substantive MOTIE vetting or security review, unless (5) above applies (i.e., MOTIE exercises discretion to flag a certain transaction for its review based on a post-filing assessment).

Investor nationality and profile can significantly influence MOTIE scrutiny intensity and approval likelihood.

The key patterns emerging from recent practice include:[10]

- review timeline differences: transactions involving non-allied investor participants tend to experience materially longer review periods due to elevated technical examination requirements;

- strategic sector approval patterns: investors from OECD nations tend to achieve substantially higher approval likelihood in strategic technology sectors compared to investors from other jurisdictions;
- government-linked entity treatment: government-linked investors from certain jurisdictions face heightened scrutiny and materially lower approval likelihood in strategic and defence sectors; and
- voluntary withdrawal patterns: sophisticated investors often voluntarily withdraw applications or restructure deals during preliminary consultation when preliminary MOTIE signals indicate likely unfavourable outcomes, a pattern that reflects commercial recognition of regulatory constraints rather than formal denials.

A notable public example is the Magnachip Semiconductor/Wise Road Capital transaction (2021). Wise Road Capital, a Chinese-affiliated investment vehicle, sought to acquire Seoul-based semiconductor designer Magnachip. During the transaction process, MOTIE issued a draft assessment indicating potential national security concerns regarding certain NCTs. Unable to navigate the heightened regulatory uncertainty and MOTIE's indication of significant conditions or potential objection, Wise Road voluntarily withdrew the acquisition attempt in December 2021. This case illustrates the practical impact of MOTIE's expanded assessment authority over technology designations and the importance of early-stage regulatory consultation before major deal commitments.

MOTIE security review: legal framework and critical distinction from FIPA

The FIPA notification requirement and the MOTIE security review are two separate and independent regulatory processes, other than the fact that the former is a prerequisite for the latter to be triggered. This fundamental distinction is essential to understanding Korean foreign investment law. FIPA notification is a mandatory administrative reporting requirement triggered solely by quantitative thresholds (investment amount and equity ownership percentage), regardless of investor profile or technology sector. Subject to the FIPA notification being required, MOTIE security review operates under a dual-track system: (1) mandatory review for specific sectors (e.g., defence, national core technology, national high-tech strategic technology) as detailed in the 'Sector-specific approval process and timeline of mandatory review' section below (the Mandatory Review); and (2) discretionary review under the FIPA for any other transactions deemed to present a national security threat (the Discretionary Review).

These processes operate independently across two specific dimensions. First, on substantive criteria: FIPA notification is triggered purely by quantitative, objective thresholds, while MOTIE security review (specifically the Discretionary Review) is based on qualitative national security assessment. Second, on procedure and outcome: FIPA notification is purely administrative and creates no substantive legal obligations on foreign investors beyond timely reporting, while MOTIE security review can result in substantive restrictions on governance, conditions on technology transfer, audit obligations, or outright prohibition of transactions. Foreign investors and their counsel must analyse each transaction against both frameworks independently and in parallel to determine all applicable regulatory requirements.

The procedures described in the remainder of this Section III pertain specifically to the Discretionary Review (including cases where an investor voluntarily requests confirmation or MOTIE initiates an *ex officio* review). MOTIE's authority to conduct such security reviews is derived from Article 5-2 of the Enforcement Decree of the FIPA. The statutory framework authorises MOTIE to screen foreign investments that may affect national security, including national defence capabilities, core strategic technologies, critical infrastructure control, and broader economic security interests.

The formal discretionary security review process operates as follows. According to Article 5-2 of the Enforcement Decree of the FIPA, if a foreign investor requests confirmation regarding whether a transaction poses a national security threat, MOTIE must notify the investor of its determination within 30 days of the request. In this regard, if MOTIE requests the foreign investor to submit supplementary materials, the time taken in connection with such supplementation shall be excluded from the above processing period.

On the other hand, (1) if a foreign investor files a report stating that the investment poses a national security threat, or (2) in cases where MOTIE initiates a review *ex officio*, MOTIE makes a determination following deliberation by the Foreign Investment Committee.[11] Prior to the Foreign Investment Committee's deliberation, the matter must undergo a preliminary review by the Security Review Expert Committee.[12] The Security Review Expert Committee is required to report the result of preliminary review to the Foreign Investment Committee within 90 days from the date the Security Review Expert Committee receives a request for a preliminary review (this period may be extended once by up to 30 days in unavoidable circumstances). Subsequently, MOTIE must make a final determination on whether the investment poses a national security threat within 45 days from the date the preliminary review results are reported. [13]

Sector-specific approval process and timeline of mandatory review

While the Discretionary Review provides a broad framework, specific approvals under sector-specific laws requires mandatory approval of MOTIE and are critical and operate with distinct requirements and timelines. These processes often run concurrently with or independently of the general FIPA review.

Foreign investment permit under FIPA

For investments in the defence sector:

- Requirements: a foreign investor intending to acquire newly issued or existing shares of a designated defence industry company which triggers mandatory FIPA notification mentioned above must obtain prior approval from the Minister of Trade, Industry and Energy.
- Procedure:
  - Application and timeline: the foreign investor submits a Foreign Investment Permit Application to MOTIE. MOTIE is required to render a decision within 15 days (can be extended one time only, in the event of unavoidable circumstances). Note that any period required for supplementation or correction of the application is excluded from this statutory timeline.
  - Defence Ministry consultation: MOTIE must consult with the Minister of National Defence, who is required to provide their opinion within 10 days.
  - Criteria for consent: the Minister of National Defence is required to provide their approval for the application if they determine that:
    - the defence goods produced can be substituted by other domestic manufacturers; or
    - the investment does not significantly impact national security.
  - Conditions: the Minister of National Defence may request MOTIE to attach certain conditions to the permit, such as maintaining security protocols for defence goods or requiring the divestiture of defence-related facilities to a Korean national or entity.

Approvals under the Industrial Technology Protection Act (ITPA)

For investment into a target company that holds NCT:

- Requirements:
  - Mandatory approval (government funded): prior approval from MOTIE is required if a foreign investor intends to acquire 50% or more of the shares, acquire/lease a major part of the business, or exercise dominant control (e.g., appointment of executives) over a target company that holds NCT developed with government funding.
  - Mandatory notification (non-government funded): prior notification to MOTIE is required if a foreign investor intends to acquire 50% or more of the shares, acquire/lease a major part of the business, or exercise dominant control (e.g., appointment of executives) over a target company that holds NCT developed without government funding.
- Procedure:
  - Mandatory approval process: the target company that holds the NCT (can be made together with the foreign investor) is required to make an approval application to MOTIE. Upon receipt of such application, MOTIE must consult with relevant central administrative agencies and seek deliberation from the Industrial Technology Protection Committee,[14] and render a written decision within 45 days of receiving such application.
  - Mandatory notification process: the target company that holds the NCT is required to make a notification report to MOTIE. Upon receiving a notification, MOTIE reviews the existence of any serious security concern and notifies the target company of the review results within 15 days from the date of receipt of such notification report. If MOTIE determines that a serious national security concern exists, MOTIE may, after consulting with the heads of relevant central administrative agencies and deliberation by the Industrial Technology Protection Committee, order the suspension, prohibition, or unwinding of the transaction within 30 days from the date on which it notified the target company.

- Timeline disclaimer: any time required for technical examinations or specialised reviews (including requests for supplementary materials) is excluded from the aforementioned statutory periods. Therefore, actual review times in practice, can be significantly longer.

Approvals under the National High-Tech Strategic Industries Act

For investment into a target company that holds NHTST:

- Requirements: prior approval from MOTIE is mandatory if (1) a party seeks to export NHTST to a foreign entity by way of sale, transfer or other means, or to submit related information to a foreign government, or (2) a foreign investor intends to acquire 50% or more of the shares, acquire/lease a major part of the business, or exercise dominant control (e.g., appointment of executives) (Overseas M&A) over a target company that holds NHTST.
    - Note: obtaining approval for an Overseas M&A under NHTSIA is deemed as satisfying the approval requirements under the ITPA.
- Procedure: the procedure follows the ITPA approval process *mutatis mutandis* (i.e., the target company that holds the NHTST makes the application, and MOTIE is required to consult with relevant agencies and the Industrial Technology Protection Committee, and notify the applicant of the result within 45 days).

As with the ITPA, periods required for technical expert reviews or requests for additional materials are excluded from the statutory notification deadline, and accordingly, actual review times in practice can be significantly longer.

Deal-critical due diligence and technology risk assessment

Before committing to a transaction structurally or engaging MOTIE formally in proceedings, conduct preliminary due diligence to identify whether the target company holds restricted technologies or is designated for formal review. This assessment materially affects timeline estimates and approval likelihood.

First, confirm the target company is not a designated defence industry contractor. Request written certification from the target company management confirming whether the company is designated as a 'defence industry company' under the Defence Acquisition Program Act. In addition, because the roster of designated defence industry companies appears to be publicly disclosed on an annual basis (on 31 May of each year), whether the target company is a designated defence industry company can also be independently verified through a public search in addition to obtaining management certification described above. This determination is critical because defence industry targets face mandatory formal review and independent Defence Ministry vetting, adding 60–90+ days to the overall timeline and introducing independent Defence Ministry veto risk. The target company should be able to confirm its designation status within a relatively short timeframe through its board or management.

Second, assess whether the target company possesses NCT through the most up-to-date publicly available MOTIE Notice.[15] If the target company's primary business falls within an NCT category, conduct detailed management inquiry regarding specific technology holdings, prior government subsidies or grants, and any conditions attached to prior subsidies. Transactions involving government-subsidised NCTs triggers a mandatory review under the ITPA, which can add around 120–180 days to the overall formal approval timeline as compared with non-subsidised NCT acquisitions in practice.

Third, assess whether the target company possesses NHTST through the most up-to-date publicly available MOTIE Notice.[16] If the target company operates substantially in these sectors, assume possession of NHTSTs unless explicitly confirmed otherwise through detailed technical assessment. NHTST involvement triggers review under the NHTSIA, typically with a 45-day statutory timeline plus technology examination periods.

Fourth, assess your investor profile and country of origin. Internally classify whether your company is: (1) OECD-nation private sector (US, Japan, EU member states, Singapore, Canada, Australia); (2) non-OECD but democratic nation (India, Brazil, Indonesia); (3) government-linked entity or state-owned enterprise; or (4) entity with suspected or documented ties to strategic competitors, or with prior sanctions history. Investor nationality and government linkage significantly influence MOTIE scrutiny intensity and baseline approval likelihood. OECD-national investors can expect to face routinely lighter review for identical transactions than investors from other jurisdictions. Government-linked investors should expect to face heightened scrutiny.

Fifth, determine your intended control level and governance structure. Analyse whether your acquisition will result in: complete control (>50% voting shares plus management board seats with decision-making authority); dominant influence (<50% equity with board control or largest shareholder status); board seat without control; board observer status (visibility and information access without voting); or loan/minority equity without governance participation. Complete control triggers heightened MOTIE scrutiny and more intensive conditions; minority passive stakes face routinely lighter review. However, MOTIE increasingly deems minority stakes with active management participation (such as board appointment rights) as de facto control subject to full formal review comparable to majority control transactions.

Deal structuring strategies to reduce review friction and approval timeline

The following four approaches have been observed to reduce MOTIE scrutiny intensity and shorten formal review timelines by credibly signalling non-control intent or demonstrating staged compliance and operational credibility. Please note, however, that these are merely illustrative examples; actual investment structures must be carefully reviewed with Korean legal counsel to address specific transactional risks and regulatory nuances:

- Strategy 1 (Minority passive stake <10% equity, no governance rights): acquire less than 10% equity stake without board seat, management appointment, or material governance influence; participate solely as passive investor or financial strategic advisor with no control mechanisms or board visibility. This structure avoids formal review entirely if the deal structure can be credibly maintained and communicated to MOTIE, triggering only the routine FIPA notification requirement. However, passive investments significantly limit control and operational influence; this approach is only viable if operational control is not essential to transaction rationale or shareholder objectives.
- Strategy 2 (Board observer status instead of board seat, for a 10-50% minority stake acquisition): for minority stakes between 10% and 50%, acquire equity stake coupled with board observer rights (visibility and information access through observer participation, but explicitly no voting or decision-making authority). This structure results in materially lighter MOTIE scrutiny than control transactions and can shorten the review timeline substantially by explicitly signalling non-control governance intent. Conditional approval with audit rights and quarterly R&D reporting is likely, but conditions are substantively less intensive than full-control deals. This approach works best for minority co-investment structures, technology partnerships, or strategic minority stakes where board visibility and strategic information access are useful but operational control is not critical.
- Strategy 3 (Staged acquisition, with phased control buildup over time):
  - Phase 1: acquire initial minority stake (20–40% equity); establish operational credibility and demonstrate respect for Korean governance practices and MOTIE requirements during the initial few years of ownership; and
  - Phase 2: acquire additional shares reaching the control threshold (>50%) and undergo MOTIE review process with substantial goodwill established with successful prior track record and demonstrated compliance with conditions during Phase 1. While this approach is a delayed acquisition of full control it provides a higher likelihood of success with MOTIE due to demonstrated operational compliance and established relationship with MOTIE.
- Strategy 4 (Partnership with Korean co-investor (shared control structure)): partner with Korean domestic investor(s) such that they would hold a significant stake of the target company. This can achieve materially lighter MOTIE scrutiny due to Korean investor co-control and can shorten formal review substantially. The practical benefit is that MOTIE is less likely to be concerned about both (x) uncontrolled technology transfer to foreign entities (Korean investor partner presumed to protect Korean national interests and technology) and (y) supply chain concentration risk (Korean ownership provides comfort regarding supply security).

Conditional approval and remedial measures negotiation

MOTIE rarely denies applications outright. Empirical data from 2024–2025 indicates that approximately 70% of formal approvals include mitigation conditions; complete outright denials represent only 2–5% of formal applications reviewed.[17] Most transaction rejections occur at the pre-application stage when sophisticated investors recognise likely denial based on preliminary MOTIE signals and decide to voluntarily withdraw rather than proceed to formal denial. This pattern reflects MOTIE policy preference for conditioned approval over prohibition, provided remedial measures adequately address identified national security concerns.

MOTIE typically conditions approval on five categories of remedial measures:

- technology transfer restrictions (very common, moderately negotiable) prohibit transfer of target technology to third parties, affiliates, or overseas facilities without advance MOTIE consent; negotiable if core intellectual property is carved out and only peripheral technologies restricted;
- audit and inspection rights (very common, moderately negotiable) grant MOTIE unannounced inspection rights and require quarterly or annual external audit of R&D activities and security practices; administratively burdensome but typically accepted by operational investors committed to the acquisition;
- mandatory quarterly R&D reporting (very common, low negotiation difficulty) requires detailed disclosure of R&D activities, employment changes, investment levels, and performance metrics against benchmarks;
- board observer status rather than board seat (common, low negotiation difficulty) grants foreign investor visibility and information access but no voting rights on major decisions; typically acceptable for minority investments; and
- technology export licensing (increasingly common, moderately negotiable) subjects certain exports of target company products to advance MOTIE notification or approval; negotiable if carve-outs permitted for non-sensitive or commercial products.

Investors should signal early willingness to accept standard conditions during preliminary consultation to improve approval likelihood and shorten timelines. Investors who refuse standard measures or demand complete governance control with unrestricted technology transfer typically face denial rather than conditional approval. Early MOTIE engagement through designated intermediaries (typically through Korean counsel) after preliminary due diligence but before finalising letter of intent dramatically improves outcomes.

Critical red flags

Walk away or substantially restructure transactions if:

- target operates in a Prohibited Industry or a Restricted Industry;
- target is designated defence industry contractor and foreign investor is non-OECD or non-allied nation – near-certain formal denial;
- target holds core semiconductor or battery manufacturing technology and foreign investor is government-linked or is a strategic competitor from a nation-high approval risk with unfavourable conditions;
- foreign investor is sanctions-listed, has documented connections to sanctioned jurisdictions (Iran, Russia, North Korea), or has prior sanctions evasion history – categorical legal prohibition;
- foreign investor refuses to accept standard remedial conditions or demands complete governance control with unrestricted technology transfer authority – typically results in formal denial;
- target has multiple government subsidies or defence contracts signalling critical importance to Korean government – heightened scrutiny and higher denial risk. Chinese government-linked investors in semiconductors face near-certain denial; Chinese private investors face approximately 5% approval likelihood in strategic technology sectors and 0% approval in defence.

Conclusion

Foreign investment in Korea is subject to two independent regulatory frameworks:

- FIPA notification (mandatory reporting requirement triggered by quantitative thresholds of 100 million won investment and 10% equity or directorship rights); and
- MOTIE security review (mandatory or discretionary governmental screening triggered by national security assessment).

Foreign investors must identify which processes apply to their specific transaction and ensure full compliance with all applicable notification, approval, and procedural requirements. Failure to comply with mandatory FIPA notification obligations carries administrative fines of up to 3 million won.[18]

The high conditional-approval rate (approximately 70% of formal approvals include conditions) and availability of informal preliminary consultation create meaningful opportunities for deal structuring optimisation and remedial measure negotiation prior to formal application filing. Early MOTIE engagement through designated intermediaries clarifies deal parameters, can substantially shorten formal timelines, and allows informed transaction viability assessment before major commitments. Given the complexity and rapid evolution of Korean foreign investment regulation, foreign investors undertaking significant capital commitments should seek advice from reputable Korean legal counsel before proceeding to ensure full compliance with applicable requirements and to assess deal-specific approval likelihood and build in realistic deal timelines.

Endnotes

[1] See the following link for the statutory list of Prohibited Industries: https://www.law.go.kr/admRulBylInfoPLinkR.do?bylCls=BE&admRulNm=%EC%99%B8%EA%B5%AD%EC%9D%B8%ED%88%AC%EC%9E%90%EC%97%90+%EA%B4%80%ED%95%9C+%EA%B7%9C%EC%A0%95&bylNo=0001&bylBrNo=00.

[2] See the following link for the statutory list of Restricted Industries: https://www.law.go.kr/admRulBylInfoPLinkR.do?bylCls=BE&admRulNm=%EC%99%B8%EA%B5%AD%EC%9D%B8%ED%88%AC%EC%9E%90%EC%97%90+%EA%B4%80%ED%95%9C+%EA%B7%9C%EC%A0%95&bylNo=0001&bylBrNo=00.

[3] Based on f/x rate of US$1 = 1,460 won.

[4] Foreign Investment Promotion Act, Article 2(1); Enforcement Decree of the FIPA, Article 2(2).

[5] Foreign Investment Promotion Act, Article 2(1).

[6] In the case of listed companies, a report under the FETA is not triggered; instead, the investor generally opens an investment-only external account and acquires the securities through a securities account at a brokerage firm.

[7] Foreign Investment Promotion Act, Article 5(4).

[8] MOTIE Notice No. 2025-2 (effective 2 October 2025) (https://law.go.kr /LSW/admRulBylInfoPLinkR.do?admRulSeq=2100000272798&admRulNm=%EA%B5%AD%EA%B0%80%ED%95%B5%EC%8B%AC%EA%B8%B0%EC%88%A0%20%EC%A7%80%EC%A0%95%20%EB%93%B1%EC%97%90%20%EA%B4%80%ED%95%9C%20%EA%B3%A0%EC%8B%9C&bylNo=0000&bylBrNo=00&bylCls=BE&bylClsCd=BE&joEfYd=&bylEfYd=).

[9] MOTIE Notice No. 2025-071 (effective 12 May 2025) (https://www.motir.go.kr/kor/article/ATCL0c554f816/64810/view?mno=&pageIndex=1&rowPageC=0&schClear=on&startDtD=&endDtD=&searchCondition=5&searchKeyword=2025-071#)

[10] Caveat on empirical data: these patterns reflect observable outcomes during 2024 – 2025; however, FDI screening outcomes are fact-specific and not all regulatory decisions are consistently disclosed publicly. Actual outcomes may vary materially based on specific transaction characteristics, technology sensitivity, investor profile documentation, and proposed operational structure. Investors should seek detailed current counsel regarding their specific transaction circumstances.

[11] A ministerial-level committee established pursuant to Article 27 of the FIPA to deliberate on major matters concerning foreign investment. The Committee is chaired by the Minister of Trade, Industry and Energy and comprises ministers from relevant ministries and heads of related agencies. It serves as the final authority in deciding whether to approve, prohibit, or impose conditions on investments subject to security review.

[12] Officially titled the "Expert Committee" (*전문위원회* in Korean) pursuant to Article 34-2 of the Enforcement Decree of the FIPA. This committee operates as a specialised advisory body under the Foreign Investment Committee to conduct preliminary technical and security assessments. It is composed of up to 20 members, including officials from relevant central administrative agencies (e.g., MOTIE, intelligence agencies) and external experts with relevant knowledge and experience.

[13] Enforcement Decree of the FIPA, Article 5-2.

[14] A statutory committee established pursuant to Article 7 of the ITPA. It is chaired by the Minister of Trade, Industry and Energy and comprises up to 25 members, including vice-ministerial officials from relevant agencies and private sector experts. The Committee serves as the supreme decision-making body for designating National Core Technologies and reviewing major transactions involving technology exports or foreign acquisitions.

[15] The most recent MOTIE Notice on NCT designation is No. 2025-2 (2 October 2025). Target companies may also be subject to prior designation under earlier notices; confirmation should be made through current MOTIE resources or designated intermediaries.

[16] The most recent MOTIE Notice on NHTST designation is No. 2025-071 (12 May 2025). Target companies may also be subject to prior designation under earlier notices; confirmation should be made through current MOTIE resources or designated intermediaries.

[17] Based on observable MOTIE decisions and disclosed FDI screening outcomes during 2024–2025. Outcomes vary materially based on investor profile, technology sensitivity, and proposed operational controls. This figure is directional and should not be construed as a guarantee of conditional approval likelihood in any specific transaction.

[18] Foreign Investment Promotion Act, Article 37(1)1 and Article 37(2).