

# Korea

## Practical and Legal Considerations

### *Contracts and Business Establishment - Korea Best Practices*

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Van Andel Global Trade Center

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# My Personal Perspective on Korea

- **3 years with a Korean law firm in the late 1980s -- when Korea was an “emerging market”**
- **Returned to New York in 1990 and published an article on Korea’s liberalization of trade and investment**, but began to appreciate the issues beyond sector openings holding back Korean trade and investment
  - For example, while with a New York law firm, **we represented a global cosmetics company in its fight for survival in an industry sector that had been technically liberalized**

# My Personal Perspective on Korea

- While based in New York with an Asia-focused law firm, as head of international legal affairs with a Michigan company, and as a founder of a cross-border practice, **I have experienced from the legal advisory trenches Korea's transformation in comparison with many other countries**
- **How far has Korea come and how do contracts and market entry issues in Korea compare with elsewhere?**

# Korea's Rank - Doing Business

*The World Bank*

Rankings	Distance to Frontier		
TOPICS	DB 2015 Rank	DB 2014 Rank	Change in Rank
Starting a Business	17	16	↓ -1
Dealing with Construction Permits	12	12	No change
Getting Electricity	1	1	No change
Registering Property ✓	79	78	↓ -1
Getting Credit	36	30	↓ -6
Protecting Minority Investors ✓	21	26	↑ 5
Paying Taxes	25	24	↓ -1
Trading Across Borders	3	3	No change
Enforcing Contracts	4	4	No change
Resolving Insolvency	5	5	No change

✓=Doing Business reform making it easier to do business. X=Change making it more difficult to do business.

[Click here to see all reforms made by Korea, Rep..](#)

# Cross-Border Contracts

*Companies doing business in any country, no matter how open, must understand the key tools and local law implications for entering into contracts and investing*



# Korean Agency and Distribution Agreements

*Are You Following  
Best Practices?*



# Cross-Border Agency and Distribution Agreements

## *Governing Law and Dispute Resolution*

# Governing Law and Dispute Resolution

## *The Issue:*

- ◆ Can choice of law and dispute resolution help circumvent mandatory local law issues and avoid local litigation?
- ◆ Typical US contracts specify a US State law and local courts:

**“Michigan law and Grand Rapids Courts”**





# Cross-Border Agency and Distribution Agreements

## *Tax Issues*

# Korea Business Establishment

## *Foreign Direct Investment* + *Entity Establishment*

# Korea Business Establishment

## *Employees – Caution in Hiring and Firing*

# International Counsel Background

Established In 1997

Core Team of Former Senior Corporate  
International Counsel – Pooled Experience

In-Country Support Worldwide

Structuring, negotiating and documenting  
international transactions, as well as foreign direct  
investment



A Cost-Effective  
Alternative to the  
Global Law Firm

Limit the Flow of  
Legal Dollars and  
Reduce Legal Risk

# Representative Clients



*One of the Largest US  
Privately Held Companies*



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