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FOREIGNER'S LAND ACQUISITION ACT

[Enforcement Date: Jun. 27, 2009] [Act No. 9186, Dec. 26, 2008, Partial Amendment]

Ministry of Land, Transport and Maritime Affairs (Real Estate Industry Division)

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Article 1 (Purpose)

The purpose of this Act is to provide for the matters necessary for the foreigner's land acquisition, etc. within the territory of the Republic of Korea.

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

Article 2 (Definition)

For the purpose of this Act, the term "foreigner" means an individual, a juristic person, or an organization applicable to any of the following subsections:

1. An individual who does not have a nationality of the Republic of Korea; and
2. A juristic person or organization which applies to any of the following items:
 - (a) A juristic person or organization which is established in accordance with foreign laws and regulations;
 - (b) A juristic person or organization in which not less than half of its employees or members apply to subsection 1;
 - (c) A juristic person or organization in which not less than half of its officers, such as employees executing its affairs or directors apply to subsection 1; and
 - (d) A juristic person or organization in which individuals applicable to subsection 1 or juristic persons or organizations applicable to item (a) owning not less than half of its capital or voting rights. In this case, when calculating the amount of capital or the number of voting rights, the bearer stocks of a stock company shall be considered to be

owned by individuals applicable to subsection 1 or juristic persons or organizations applicable to item (a).

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

Article 3 (Principle of Reciprocity)

The Minister of Land, Transport and Maritime Affairs (hereinafter referred to as the “Minister”) may prohibit or restrict the acquisition or transfer of land within the territory of the Republic of Korea by an individual, juristic person, organization, or foreign government whose home country prohibits or restricts acquisition or transfer of land within the territory of such country by a national of the Republic of Korea, a juristic person or organization established in accordance with the laws and regulations of the Republic of Korea, or the Government of the Republic of Korea, according to the conditions as prescribed by the Presidential Decree: *Provided*, that this does not apply where it is necessary for observing the treaty entered under the Constitution and Acts.

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

Article 4 (Report on Land Acquisition by Contract)

(1) Where a foreigner, a foreign government, or an international organization prescribed by the Presidential Decree (hereinafter referred to as a "foreigner, etc.") has entered a contract for acquisition of land within the territory of the Republic of Korea (hereinafter referred to as a "land acquisition contract"), he/she shall submit a report on entering such contract to the head of the city (referring to the head of city where *Gu* is not established, and the head of city under Article 17 of the Special Act on the Establishment of Jeju Special Self-Governing Province and the Development of Free International Cities, and the same shall apply hereinafter) or the head of the *Gun/Gu* under the conditions as prescribed by the Presidential Decree. *Provided*, that this does not apply where a report on transaction of real estate is 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 transaction of housing under Article 80-2 of the Housing Act is made.

(2) Notwithstanding the provisions of section (1), where the land to be acquired by a foreigner, etc. is located in the districts or areas applicable to any of the following subsections, he/she shall obtain permission from the head of the city/*Gun/Gu* before entering such contract, as provided by the Presidential Decree. *Provided*, that this does not apply where the permission for the land transaction contract has been obtained in accordance with Article 118 of the National Land Planning and Utilization Act:

1. Military bases and military installation protection areas under subsection 2 of Article 2 of the Protection of Military Bases and Installations Act or other areas prescribed by the Presidential Decree where it is especially necessary to restrict the acquisition of land by foreigners for the purpose of national defense;
2. Designated cultural properties under Article 2 (2) of the Protection of Cultural Properties Act, and protectors or reservations thereof;
3. Ecological and scenery conservation areas under subsection 12 of Article 2 of the Natural Environment Conservation Act; and
4. Special protection areas for wild animals and plants under Article 27 of the Protection of Wild Fauna and Flora Act.

(3) Where the head of the city/*Gun*/*Gu* deems that the land acquisition by a foreigner, etc. in districts and areas applicable to any subsection of section (2) does not interfere with the object of the designation in the related districts and areas, he/she shall permit the land acquisition by a foreigner, etc. under section (2).

(4) No land acquisition contract entered in violation of section (2) shall take effect.

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

Article 5 (Report of Land Acquisition by Causes Other than Contract)

Where a foreigner, etc. acquires land within the territory of the Republic of Korea by means of inheritance, auction, or any reasons other than contracts prescribed by the Presidential Decree, he/she shall report thereof to the head of the city/*Gun*/*Gu* within six months after his/her land acquisition in accordance with the conditions as prescribed by the Presidential Decree.

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

Article 6 (Report of Continuous Owning of Land)

Where a national of the Republic of Korea, or a juristic person or organization established in accordance with the laws and regulations of the Republic of Korea, who owns land within the territory of the Republic of Korea becomes a foreigner, etc. and intends to continuously own the land, he/she shall report such intention to the head of the city/*Gun*/*Gu* within six months from the date of becoming a foreigner, etc. in accordance with the conditions as prescribed by the Presidential Decree.

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

Article 7 (Penal Provisions)

Where a foreigner, etc. has entered a land acquisition contract without obtaining any permission under Article 4 (2) or by obtaining any permission by illegal means, he/she shall be sentenced to imprisonment not exceeding two years or by a fine not exceeding twenty million won.

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

Article 8 (Joint Penal Provisions)

Where a representative of a juristic person, or an agent, a servant or any other employee of a juristic person or an individual has committed an offense applicable to Article 7 in connection with the affairs of the juristic person or individual, the juristic person or individual concerned shall be sentenced the fine prescribed by each of the relevant Articles in addition to the punishment of the offender; *Provided*, that this does not apply where the juristic person or an individual has not been negligent in paying attention to and supervising the relevant business affairs to prevent such offense.

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

Article 9 (Fine for Negligence)

(1) A person who has failed to report land acquisition under Article 4 (1) or has made such report fraudulently shall be sentenced to a fine for negligence not exceeding three million won.

(2) A person who applies to any of the following subsections shall be sentenced to a fine for negligence not exceeding one million won:

1. A person who has failed to report land acquisition under Article 5 or has made report fraudulently; or
2. A person who has failed to report the continuous owning of land under Article 6 or has made a report fraudulently.

(3) The fine for negligence provided under sections (1) and (2) shall be imposed and collected by the head of the city/*Gun/Gu* under the conditions as prescribed by the Presidential Decree.

[This Article Wholly Amended by Act No. 9186, Dec. 26, 2008]

ADDENDA <Act No. 9186, Dec. 26, 2008>

(1) (Enforcement Date) This Act shall take effect six months from its promulgation. *Provided*, that the amended provisions of Article 3 shall take effect on the day of its promulgation.

(2) (Application Example of Report on Land Acquisition by Contract) The amended provisions of Article 4 (1) shall apply starting from the report for the first land acquisition contract entered into after this Act takes effect.