

# Jisung Horizon Newsletter

June 2010 Vol.2. No.5

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## (Firm News)

### Legal Advisor of IBK Securities for IBKS SPAC

Jisung Horizon advised on the establishment of a special purpose acquisition company by IBK Securities Co., Ltd., named IBKS SPAC, which was completed in success at the end of April, 2010. Further, Jisung Horizon is advising IBK Securities Co., Ltd. on related legal issues.

For the establishment of IBKS SPCA., other financial institutions such as Industrial Bank of Korea, IBK Capital Corporation, Q Capital Partners Co., Ltd., Shinhan Capital Co., Ltd., KEB Capital Inc., Sun Myung Investment, CKD Venture Capital Corporation participated as joint promoters.

IBKS SPAC intends to find small and medium-sized enterprises with high potential for growth then acquire or merge with the company for the purpose of listing them on the stock market. Jisung Horizon will continue to provide various legal and consulting services with respect to the management of the company so that the corporate value of the target company can be maximized.

#### [Korean Article Reference]

- [Maeil Economy - IBK Securities' SPAC to go public in or around July \(April 29, 2010\)](#)
- [Korea Economy - IBK Secuties establishes SPAC \(April 29, 2010\)](#)
- [Financial News - IBK Securities establishes IBKS SME SPAC \(April 29, 2010\)](#)

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## (Firm News)

### **Jisung Horizon Advised on Matters relating to Investment Approval and Other Legal Issues in connection with the Construction Project of New Rolling Mill in Vietnam on behalf of POSCO Specialty Steel Co., Ltd.**

On May 19, 2010, POSCO announced that POSCO Specialty Steel Co., Ltd., one of its 100% subsidiaries, had obtained an investment approval for the construction project of electric furnace and rolling mill with an expected annual production volume of 1 million tons at the project site located at 2 Phu My, Vung Tau, Vietnam. POSCO Specialty Steel plans to invest approximately USD 620 million and produce steel products for the construction.

Jisung Horizon advised POSCO Specialty Steel Co., Ltd. on matters relating to obtaining investment approval for construction project of new rolling mill and other legal issues.

#### **[Korean Article Reference]**

- [Yonhap News - POSCO Specialty Steel obtains investment qualification for rolling mill in Vietnam \(May 19, 2010\)](#)
- [Seoul Economy - POSCO to construct rolling mill in Vietnam \(May 19, 2010\)](#)
- [Money Today - POSCO to construct rolling mill in Vietnam \(May 20, 2010\)](#)

#### **[Attorneys]**



Seung-Hyuk Edward HAN  
· Foreign Attorney



Ho Chi Minh City  
Office

(Firm News)

## Jisung Horizon receives high rankings in four categories in ASIALAW 2010 edition

Jisung Horizon received well-deserved appraisals from the leading legal journal ASIALAW in its 2010 Edition, receiving high rankings in four categories.

Jisung Horizon was placed 1st in the 'Shipping, Maritime & Aviation' category, 2nd in 'Mergers and Acquisitions' and 'Banking and finance' categories, and 3rd in the 'Dispute resolution' category.

In particular, Jisung Horizon's attorney Choon-Won Lee was selected as the Leading Lawyer of South Korea's Shipping & Maritime category.

ASIALAW is the Asian edition of IFLR1000, published by the international finance and banking magazine Euromoney, and is highly appreciated by the professionals in the realm of international finance. Its annual Asian law firm rankings in particular provide perceptive guidelines for selecting quality law firms.

### [Additional Information]

- [Asialaw Profiles – South Korea Law firm rankings](#)
- [Jisung Horizon's lawyer Choon-Won Lee, selected as the Leading Lawyer in the Shipping and Maritime field for South Korea by Asialaw Leading Lawyers 2010 Edition](#)
- [Jisung Horizon Receives Outstanding Reviews from 2010 Edition of IFLR1000](#)

### [Asialaw Profiles - South Korea Law firm rankings]

	Shipping, Maritime & Aviation	Mergers and acquisitions	Banking and finance	Dispute Resolution
<b>Tier 1</b>	Choi & Kim <b>Jisung Horizon</b> Kim & Chang Lee & Ko	Bae Kim & Lee Kim & Chang Lee & Ko Shin & Kim Yulchon	Bae Kim & Lee Kim & Chang Lee & Ko Shin & Kim	Bae Kim & Lee Kim & Chang

# JISUNG HORIZON Newsletter

<b>Tier 2</b>	Aurora Law Offices Yulchon	<b>Jisung Horizon</b> Yoon Yang Kim Shin & Yu	<b>Jisung Horizon</b> Yulchon	Hwang Mok Park Lee & Ko Shin & Kim Yoon Yang Kim Shin & Yu Yulchon
<b>Tier 3</b>	Bae Kim & Lee Kim Chang & Lee Yoon Yang Kim Shin & Yu	Hwang Mok Park Kim Chang & Lee	Evergreen Law Group Kim Chang & Lee Kim Choi & Lim Yoon Yang Kim Shin & Yu	Barun Law <b>Jisung Horizon</b> Kim Chang & Lee Kim Choi & Lim

(Firm News)

## Jisung Horizon hosts public lecture on 'Fair Trade'

On April 22, 2010, Jisung Horizon hosted a public lecture on 'Fair Trade' with guest speaker Kang-Baek Lee, the head officer of the socially responsible enterprise 'Beautiful Store'.

Mr. Lee gave a visual presentation on the fair trade of coffee, followed by a talk on the development of fair trade movements in South Korea and its future direction.

In particular, Mr. Lee defined fair trade as 'an ethical movement encouraging consumers of developed nations to purchase correctly priced products from developing nations which is the most effective solution to problems of poverty in developing nations'; he further emphasized the need to protect both the rights of producers and consumers through fair trade.

This public lecture was hosted to expose the professionals and attorneys of Jisung Horizon to the concept of fair trade, and to seek ways to support socially responsible enterprises.

### [Additional Information]

- <http://www.beautifulcoffee.com/>



Mr. Lee is giving a lecture on 'Fair Trade' (April 22, 2010)

## (Firm News)

### Legal Representative of Private Consortium in a dispute over Dohwa District Urban Development Project Financing

Jisung Horizon has been appointed to represent the Consortium of 21 private companies with respect to a claim raised by Incheon Urban Development Corporation over Dohwa District Urban Development Project Financing (the "Project") of two trillion Korean Won.

Incheon Metropolitan City has been pursuing the Project since 2006, and it is the largest urban development project in Incheon to date. However, the implementation of the Project has been postponed due to the delay in obtaining city development plan approved, resulting in the litigation between Incheon Urban Development Corporation, the developer, and the private Consortium over the liability for the delay of the Project.

#### [Korean Article Reference]

- [Money Today](#) – Incheon Dohwa District PF, led to the legal litigation (December 10, 2009)
- [Asia Economy](#) – SK Engineering & Construction Consortium, withdraw from the Incheon Dohwa District Development Project (November 9, 2009)

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Young-Joo PARK

Gee-Hong KIM

Chan-Wook CHOI

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· Partner

· Partner

· Partner

· Associate

(Firm News)

**Jisung Horizon's lawyer Choon-Won LEE,  
selected as the Leading Lawyer in the Shipping and Maritime field  
for South Korea by Asialaw Leading Lawyers 2010 Edition**



(JISUNGHORIZON [Choon-Won LEE](#) · Partner)

Asialaw Leading Lawyers 2010 Edition selected Maritime specialist attorney Choon-Won LEE of Jisung Horizon as the Leading Lawyer in South Korea's Shipping & Maritime category.

Published by Euromoney, Asialaw Leading Lawyers are selected through a vigorous selection process which includes nominations from 9500 legal practitioners from domestic companies and companies overseas. The selected leading lawyers of their respective fields in the Asia-Pacific region are then further assessed against individual performance and client reviews.

A biography of Choon-Won LEE will be published later this year in the 2010 Edition of Asialaw Leading Lawyers.



## (Firm News)

### Legal Representative of Shinhan Bank, in Signing the MOU for \$500 Million with KMG

On behalf of Shinhan Bank, Jisung Horizon is currently carrying out a transaction related to the preparation and execution of the memorandum of understanding (MOU) between Shinhan Bank and Kazakhstan's state-owned energy company, KazMunaiGaz (KMG) for the financing of \$500 million.

Shinhan Bank has been granted preferred and exclusive rights to be the financial advisor and arranger in providing various financial investment services, including the construction of crude oil loading terminal in the Caspian Sea and Kuryc Port, which KMG intends to promote as a national project of Kazakhstan; Shinhan Bank will also provide services for any other development projects and project financing for the next one year.

Kazakhstan, as a member of the CIS (Commonwealth of Independent States), is a country which has rich natural resources including oil and gas, and its exponential potential in the energy sector is attracting the attention of many foreign investors.

#### [Korean Article Reference]

- [Maeil Economy](#) - MOU between Shinhan Bank and Kazakhstan's state-owned energy company, KazMunaiGaz (KMG) on financing for \$500 million (April 21, 2010)
- [Financial News](#) - Shinhan Bank-Kazakhstan, signing of MOU on financing for \$500 million (April 21, 2010)

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Seung-Min LEE  
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Jean HONG  
· Foreign Attorney

(Firm News)

## Global Business Seminar hosted with Great Success



"Global Business Seminar" (April 15, 2010)

On April 15, 2010, Jisung Horizon hosted the "Global Business Seminar" at the international conference hall in The Korea Chamber of Commerce & Industry Building. With over 350 participants, the seminar ended in great success.

These four seminar sessions were held in celebration of the establishment of Jisung Horizon's "Global Business Center." Thirteen lawyers - including representatives from the five foreign branches and a representative lawyer from the Laos partner law firm - spoke on fourteen topics including international tax, cross-border M&A and international project finance, as well as on countries such as Vietnam, Cambodia, Laos, Philippines, China and Russia.

The seminars were followed by an additional consultation session, where more in-depth questions and answers were exchanged. The participants gave positive feedback: "it was immensely helpful to have the necessary legal details for international business specified and explained" and expressed words of support and encouragement for future networking of information.

Jisung Horizon would like to thank all the clients who participated in this seminar. We will continue our endeavors to provide accurate information regarding important trends and issues of the rapidly changing international markets.

## ■ Photographs



Opening address from the managing  
Yong-Whan CHO · Managing Partner



Hee-Kyung BYUN · Associate (Head, JS HORIZON Vietnam)  
giving a presentation  
on 'Critical Issues on Vietnam's Opening Markets'



Ju-Hyun KIM · Partner (Head, JS HORIZON Vietnam - Hanoi Office)  
giving a presentation on 'Real Estate Developments in Vietnam  
and Regional Investments in Hanoi'



Siri Sayavong (managing partner of JS Horizon's  
collaborating firm, JSH-LLC) giving a presentation  
on 'Foreign Investment in Laos'



Jeeung-Hoon YOO · Associate (Head, JS HORIZON Cambodia Office)  
giving a presentation  
on 'Investment Strategies in Cambodia'



Young-Tae YANG · Managing Partner  
introducing the Global Business Center



Sang-Su KU · C.P.A giving a presentation on 'Taxation Issues in Foreign Investment'



Jeong-Sig CHOI · Partner (Head, JS HORIZON Shanghai Office) giving a presentation on 'Changes in the Chinese Market Environment and Investment Strategies'

(Firm News)

## The Establishment of Jisung Horizon Global Business Center

For many years Jisung Horizon has been recognized as a leading international law firm; our services span the globe, providing professional consultation in the area of international investment, merger and acquisition and project finance in South Asian countries such as Vietnam, Cambodia, Laos, Philippines, Indonesia as well as other countries such as China, Japan, Russia and the USA.

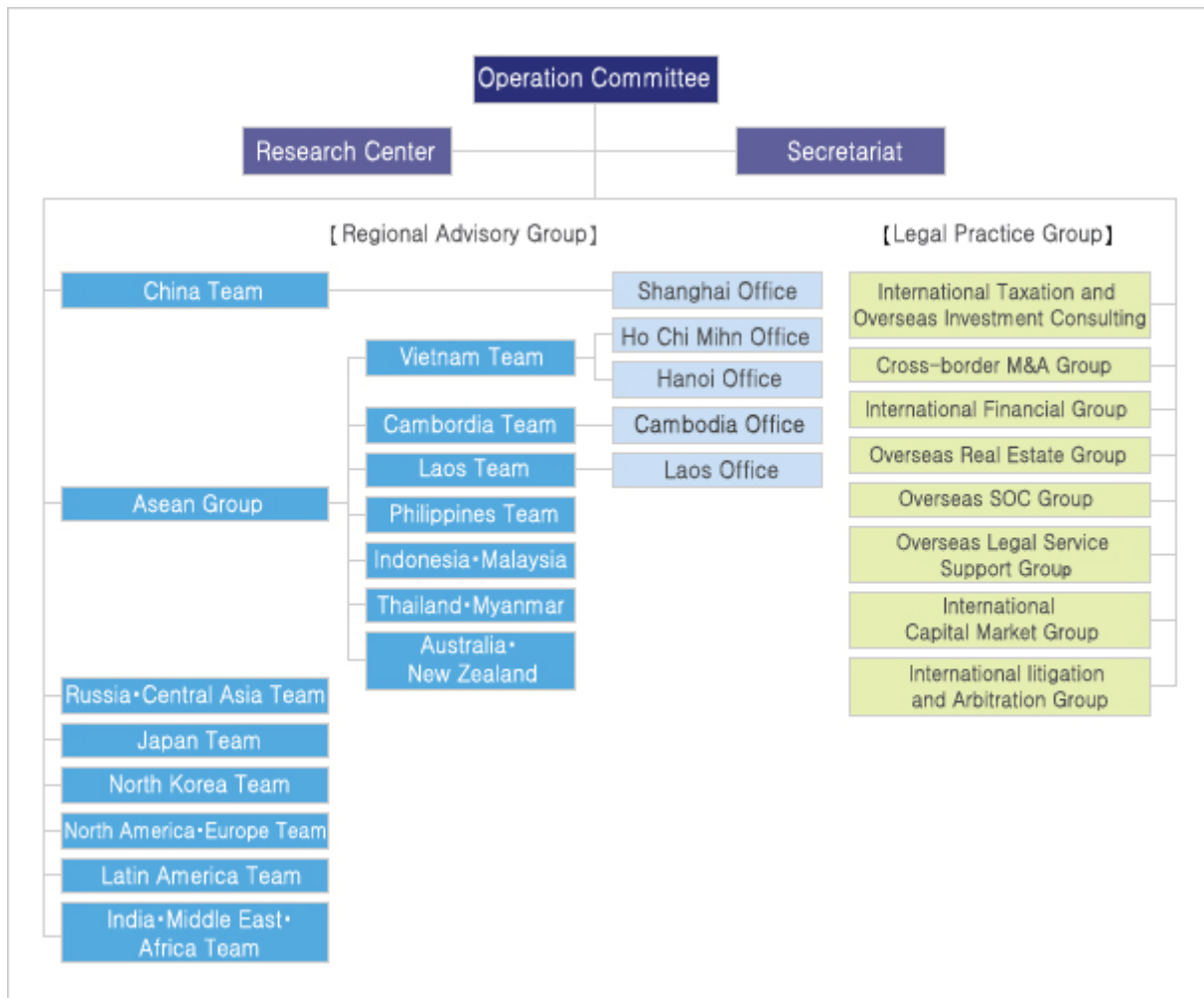
Jisung Horizon's new Global Business Center is based upon our competence in international law, built over years of experience in the field and comprised of regional specialists with a view to providing high quality professional service.

Rather than relying on local law firms when the need arises, the Global Business Center facilitates the provision of timely and on-site advice based on information accumulated by specialist attorneys' hands-on experience and from our regional branches. The five regional branches, moreover, provide on-site service at each location, continuously working in collaboration with local law firms, as necessary. Our services range from merger and acquisitions, project finance, real estate, social overhead capital, resource development, and capital market.

Many leading financial institutions and companies in Korea now conduct international business around the globe, and there is a growing demand for an international law firm with the capacity to provide a comprehensive one-stop legal service that covers many jurisdictions. Jisung Horizon's Global Business Center will satisfy this need with our strong presence in China, Japan, South East Asia, Russia, North America, Europe, South America, India, Middle East and Africa.

Jisung Horizon will continue our endeavors to provide high quality service that will assist the international business success of our clients.

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## [Additional Information]

- [\[Homepage\] 'Jisung Horizon Global Business Center'](#)

## (Firm News)

### **Jisung Horizon Represents and Advises Hansung Airlines Co., Ltd. for the Approval of Rehabilitation Plan**

On March 5, 2010 the Bankruptcy Division of the Seoul Central District Court approved the rehabilitation plan of Hansung Airlines Co., Ltd., the nation's first low cost airlines.

Hansung Airlines Co., Ltd. suspended its service in October 2008 and filed for corporate rehabilitation proceeding to the Seoul Central District Court on August 31st, 2009 after being acquired by a company set up and invested by Tomato Savings Bank.

The Court's decision to approve the rehabilitation plan of Hansung Airlines Co., Ltd. is considered as a new model case, illustrating how financially challenged companies, may apply for rehabilitation at an early stage after being merged and acquired by another entity.

Jisung Horizon represented and advised Hansung Airlines Co., Ltd. on various aspects of M&A procedures and the rehabilitation proceedings as well as facilitating the court's approval of the rehabilitation plan.

#### **[Korean Article Reference]**

- [Financial News](#) – Investor of Tomato Savings Bank purchased the shares of Hansung Airlines (April 5, 2010)
- [Money Today](#) – Hansung Airlines' Rehabilitation Plan was approved (March 9, 2010)
- [Newsis](#) – Seoul Central District Court actively promoted the corporate rehabilitation proceedings of Hansung Airlines (January 26, 2010)

#### **[Attorneys]**



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· Partner



Young-Ju KIM  
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## (Firm News)

### Jisung Horizon advices on Project Financing for Yeoido Parc 1

Jisung Horizon advised on the project financing of 160 billion Korean Won in connection with a bridge loan financing for Yeoido Parc 1.

Parc 1 is a large-scale property development project in Yeoido, Seoul which, upon completion, is expected to change the skyline of Yeoido. The 2.3 trillion Korean Won project includes plans to construct office buildings, hotels and shopping malls. Mirae Asset Group has already entered into a contract to purchase one tower building and the other towers are also scheduled to be on sale.

Jisung Horizon's project team conducted a thorough due diligence for the financing of the bridge loan and the same team will continue to work closely for the lenders of the main financing transaction, offering various legal solutions and advice.

#### [Korean Article Reference]

- [Money Today - Yeoido Parc 1, organized the lenders about 200 billion Korean Won in connection with a bridge loan financing \(April 5, 2010\)](#)

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Yully KANG

· Partner

Haeng-Gyu LEE

· Partner

Yi-Tae KIM

· Associate



## JISUNG HORIZON Newsletter



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Jung-Han YOO  
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Jean HONG  
· Foreign Attorney

Ju-Young Susie IM  
· Foreign Attorney

(Columns)

## Construction Companies and Rehabilitation Process



(JISUNGHORIZON [Sung-Jun HONG](#) · Partner)

We recall how, after the collapse of Lehman, a large number of our domestic construction companies were faced with imminent threats of bankruptcy during the second half of 2008.

Because of the close relationship between the construction companies and corporations from a range of other industries, the bankruptcy of construction companies has not been the sole concern of the construction industry. Accordingly the creditor banks and other financial institutions have led and implemented a variety of restructuring programs in the past year. Despite their efforts, the issues of restructuring process of domestic construction companies have once again become the center of current media's attention as Sung Won Corporation was put in the danger of bankruptcy and applied for rehabilitation process on March 16, 2010 and other construction companies began to grow anxious of their chances of survival. As a former judge and a lawyer currently specializing in corporate rehabilitation, I firmly believe that supporting rehabilitation of companies in financial difficulties helps our economy function more efficiently and effectively. In light of my personal experience, however, the reality of the construction industry structure and the rehabilitation procedures makes it difficult to believe that companies can resume their normal operation of business after going through the rehabilitation process for the following reasons.

First of all, construction companies often face grave difficulties due to their frequent use of project financing. Under normal circumstances, there is no doubt that project finance is a useful way to raise large sum of capital necessary for construction projects. However, project financing is structured to minimize the risks of the lenders, including but not limited to separating the lenders' interests from the risk of the developers going bankrupt and maximizing the highest return possible for the lenders. Despite the lenders' participation in the project financing based on their independent assessment of the profitability of the project, notwithstanding the low credit rating of developers and their lack of capital, the construction companies bear the sole responsibility to discharge the liabilities of the developers in the events of their defaults. The companies have no protection mechanism for themselves, while the lenders are fully insulated from the insolvency and bankruptcy risks of the developers.

Further, although not only limited to construction companies, the society does not provide an environment

where construction companies can effectively overcome their economic hardships on their own. As can be commonly observed, corporations in financial difficulties are rarely given the opportunity to play a lead role in rehabilitation process by restructuring themselves; instead they are often involuntarily subject to programs collectively led by lenders and creditors, pursuant to which they are granted an extension of loans and at times, the promise of funding. While they are exhausting their options agreed with the lenders and creditors, the companies lose their best opportunity to begin the rehabilitation process. By the time they turn to their last chance of rehabilitation process, it is simply too late. On a personal note, I have not come across a single case, for a period of more than ten years after the IMF, during which time a construction company which voluntarily entered into rehabilitation process, succeeded in restructuring the company, and resumed its business. As of now, the only way to conclude the rehabilitation process of a construction company is to delay the fall in value of the company by selling its assets until a third party acquires the company.

Lastly, another problem is the delay of shareholders or board of directors in deciding to apply for rehabilitation process, which is undoubtedly closely related to the reasons discussed above. The shareholders and the board of directors often focus their decisions on the protection of their own interests and give insufficient consideration to a broad range of stakeholders, such as creditors, employees, and customers. The rehabilitation process requires the stakeholders to suffer a certain degree of loss so as to maintain the value of the company by way of keeping the employees and minimizing the loss of the creditors and other parties-which will in turn ensure that the shareholders' interests are protected to the greatest possible extent. The delay in the rehabilitation process, due to the unwillingness to give up the decision-making power over the management of the company, not only contributes to further depreciation of the value of the corporation and such delay affects all stakeholders, including the shareholders themselves. On the other hand, early entry into the rehabilitation process will prove to be more effective and beneficial to the stakeholders.

I do not think it is easy, although not impossible, for the business to get back on track by going through the rehabilitation process, which takes a lot of time and effort. However, I believe that it is desirable for the construction companies to begin their rehabilitation process in the early phase of financial difficulties, without any delay, when the foundation of business is still intact. In order to have sufficient funding available for the implementation of all the required process, the company should also consider early M&A before the value of the company depreciates any further. It is fortunate that in recent years, the courts are becoming more and more familiar with this type of M&A.

It cannot be stressed enough that the shareholders and the creditors should both strive to make the best decision that will protect and maximize both of their interests.

(Columns)

## The Role of IPO and Law Firms



(JISUNGHORIZON [Haeng-Gyu LEE](#) · Partner)

As of March, 2010, there are eleven foreign corporations listed on the Korea Exchange (the “KRX”) in total, of which ten are Chinese and one is Japanese. Soon, the New Pride Corporation of the USA is expected to be listed on the KRX, along with other corporations from China, Japan, Britain, Vietnam, and Indonesia. A notable feature in this surge of foreign corporations on the KRX is the active role of Korean law firms.

As a matter of fact, Korean lawyers do not have much of a role in initial public offering (“IPO”) of domestic corporations. Most of the work that may utilize the services of lawyers, such as establishing internal control system, conducting due diligence, and preparing applications for listing eligibility review and securities registration statements, has been carried out by the managing underwriters. This is a stark contrast to the general practice in the capital markets of the USA and other developed countries, where lawyers and law firms play a significant role in the IPO of domestic corporations. In the USA, for example, representing issuers and underwriters in IPO is an exclusive domain reserved for lawyers, and many law firms derive their important source of income from this line of service.

There are a number of reasons which may explain why Korean law firms’ role in the domestic IPO market has been kept to a minimum. First of all, the various applications and reports to KRX for IPO do not require the applicants to submit a legal opinion, and the due diligence of the applicant corporations is of arbitrary nature. Because lawyers’ participation in the process of IPO of domestic corporations is not mandatory, the issuing companies do not wish to pay expensive legal fees to hire lawyers for IPO matters.

However, when foreign corporations wish to list themselves on the Korean stock exchange, the engagement of Korean law firms is essential, as they are required by law to provide legal opinions of both a law firm in their country of origin and a Korean law firm. To issue such legal opinion, law firms must perform due diligence on the issuing company or its stockholders, which necessitates active involvement of Korean law firms in the process of IPO of foreign corporations. Moreover, the issuing companies need legal advice of Korean law firms on various aspects of Korean law, and they also need Korean law firms to prepare their articles of incorporation that are acceptable by the KRX and are in accordance with the applicable Korean law.

Hence, the managing underwriters consider the engagement of domestic law firms crucial in determining and minimizing the legal, institutional, tax, and foreign-exchange related risks. Many cases in which problems arise from the exposure to these risks cannot be solved without the involvement of Korean lawyers, due to the fact that these matters are specific to the Korean market, Korean laws and regulations. Because foreign corporations require legal service of Korean law firms for listing maintenance, such as public announcements and capital increases, Korean law firms' continued presence in the IPO market is ensured. Due to these reasons, the practice of listing foreign corporations on the Korean stock market has become a profitable niche market for many Korean law firms.

In the case of listing Korean corporations on the overseas stock exchange market, the role of domestic law firm is limited to the role of a local counsel to large international law firms based in Hong Kong. However, domestic law firms now engage foreign law firms as their sub counsels to list foreign corporations on the Korean stock exchange market. This is the result of the enormous efforts put in by the KRX, Korea Securities Depository, and domestic securities companies to attract foreign corporations into the domestic capital market. And it is not an overstatement to say that Korean law firms and accounting firms are beneficiaries of this development. In order to attract many more foreign corporations to our domestic stock market to realize Korea's ambition to become the financial hub of Northeast Asia, Korean law firms should recognize their unique and, important role as a gatekeeper in maintaining and enhancing investors' confidence and trust in the Korean capital market for its long term growth.

(New Laws)

## **Preparation, etc. of Method to Activitize Indirect Investment in Real Estate - Partial Amendement of the Real Estate Investment Company Act - (Act No. 10269, enforced as of April 15, 2010)**

1. Under the amended Real Estate Investment Company Act, the paid-in capital of the real estate investment company (the "REIC") shall be lowered to not less than 500 million Korean Won (Article 6). Furthermore, the minimum capital of the real estate investment company for which six months have passed after obtaining the business permit shall be decreased to 7 billion Korean Won in case of self-management REIC and 5 billion Korean Won in case of consigned-management REIC (Article 10). Thus, the investment target of the REIC is expected to extend to small and medium sized real estate and there will be more investment opportunities for the real estate development projects.

2. The ratio of public offering of the REIC shall be lowered from not less than 30/100 to not less than 20/100 and the ratio of share ownership restriction shall be raised from not less than 30/100 to not less than 35/100 until December 31, 2012 (provisos to Article 14-3 (1) and Article 15 (1)). It is expected that the investment in the REIC is to be activated and the equity with the indirect real estate investment vehicle is to be secured through the reduction of public offering expenses of the REIC and the inducement of institutional investors.

3. Rights in the use of real estate, such as superficies and leasehold right and beneficiary interests in real estate trust by which all of the properties in trust are reverted to a beneficiary upon termination of the trust shall be added to the property to be invested in kind to the REIC (Article 19 (2)). It is expected that the minimum capital of the REIC will be more easily secured by expanding the scope of property to be invested in kind to the REIC.

4. In the event where the REIC is not able to respond to the call option of shareholders due to lack of funds to purchase the shares, it may postpone the purchase of shares by obtaining the approval of the Minister of Land, Transport and Maritime Affairs (Article 20 (3)). It is expected that stable operation of the REIC will be possible by allowing the REIC to purchase the shares in consideration of its status of funds.

(New Laws)

**Preparation, etc. of Method to Expand Assistance to Foreign-Invested Enterprises  
- Partial Amendment of the Foreign Investment Promotion Act -  
(Act No. 10272, to be enforced as of October 15, 2010)**

1. Under the amended Foreign Investment Promotion Act, more land will be subject to private contracts and decrease of rent for foreign-invested enterprises (Article 13). Thus, the land, etc. that has been created under the Urban Development Act or the Act on the Development and Management of Logistics Facilities will be leased or sold on the basis of private contracts, the term of lease will be increased and the rent will be reduced for foreign-invested enterprises.

2. Of the requirements for the assistance in cash to foreign investment, the 'requirement of the foreign invested amount of not less than USD10 million' was deleted and the scale of full-time research staff shall be lowered from 10 to 5 persons (Article 14-2 (1)). Thus, small-scaled foreign investment will also be able to receive financial support in cash if the effect of such investment can be proved to be of benefits to the national economy.

3. The scope of regions to which Mayor/Do Governor may designate as foreign investment zone shall be expanded in order to promote the inducement of foreign-invested enterprises that are engaged in research and development and high value- added service (Article 18 (1)).



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