

✚ M&As subject to Notification

- Business combinations, as defined in Art. 12(1) of the Monopoly Regulation and Fair Trade Act (MRFTA), are subject to mandatory notification to the KFTC. Only the acquiring party of an M&A is required to make a notification.
- Business combinations subject to notification are categorized into five forms, as defined below:

Share Acquisition	When one acquires not less than 20 percent (15 percent for listed firms) share of the target company; and when the company with not less than 20 percent share of other company becomes the largest shareholder by additionally acquiring the share of the same target company
Interlocking Directorates	When a company has its own employee take up the position of executive officers of other independent company
Merger	When two or more companies merge
Asset Acquisition	When a company acquires the whole or substantial part of other company's assets or businesses
Joint Venture	When a company becomes the largest shareholder in a newly established joint venture

✚ Thresholds for Notification

- Business combinations, as defined above, should be notified to the KFTC when total assets or world-wide turnover of at least one of the parties involved is not less than 200 billion won (approximately US\$ 160M), and that of the other party is not less than 20 billion won (approximately US\$ 16M).
- Cross-border M&As, business combinations between foreign-based companies, however, are required to be notified to the KFTC when the local turnover in Korea of each of the foreign companies involved is no less than 20 billion Korean won, which is the thresholds applied in additional to the above.

Timing of Notification

- **Pre-Merger Notification**

M&As involving a large company with total assets or world-wide turnover of 2 trillion won (approximately US\$ 1.6 billion) are subjected to ex-ante notification. In this case, notifications shall be made between the date of contract and the date of consummation of the concerned M&As. There is a 30-day waiting period during which the proposed transaction shall not be closed.

- **Post-Merger Notification**

M&As in which only small companies are engaged are not subject to ex-ante notification shall be notified within 30 days after completion of the concerned transactions.

- **Voluntary Pre-Merger Notification**

A company may also request the KFTC to review a planned M&A before the ordinary notification period.

 **For more information, refer to 「Guidelines for M&A Notification」**