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Company formation in South Korea

From CompanyFormationWiki, the free encyclopedia of company formation · Last updated 25 November 2026

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Common form	Chusik hoesa (stock company)
Registry	Supreme Court Registry Office (commercial registration)
Minimum capital	No statutory minimum; KRW 100 million is required for foreign direct investment registration
Directors	1 director (if capital is under KRW 1 billion)
Local director	Not required, but a representative director usually needs a Korean address
Corporate tax	25% headline (progressive brackets), plus local income tax [1]
VAT / sales tax	10% [1]
Typical timeline	Usually 2–4 weeks
Tax treaties	Domestic rates and treaty list [6]
Currency	South Korean won (KRW)

In short: To set up a company in South Korea, most founders form a Chusik hoesa, registered with the Supreme Court Registry Office (commercial registration). Minimum capital: no statutory minimum; KRW 100 million is required for foreign direct investment registration. Corporate tax: 25% headline (progressive brackets), plus local income tax. Registration: usually 2–4 weeks (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 04 June 2026); company-law details summarise official guidance and can change. Confirm requirements with the Supreme Court Registry Office (commercial registration) before filing.

Foreign investors in **South Korea** usually form a **chusik hoesa** after reporting the investment under the Foreign Investment Promotion Act; KRW 100 million is needed to qualify as foreign direct investment. Companies are registered with the court registry.

Business structures

Most founders in South Korea form a Chusik hoesa, registered with the Supreme Court Registry Office (commercial registration). Other forms are listed below.

- **Chusik hoesa** – the usual company form for private businesses

Requirements

Minimum share capital in South Korea (2026): no statutory minimum; KRW 100 million is required for foreign direct investment registration. Directors required: 1 director (if capital is under KRW 1 billion). Local resident director: not required, but a representative director usually needs a Korean address.

- A company name that is available, checked with the registry.
- Share capital: no statutory minimum; KRW 100 million is required for foreign direct investment registration.
- Directors: 1 director (if capital is under KRW 1 billion).
- Local residency: not required, but a representative director usually needs a Korean address.
- A registered office address in South Korea.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in South Korea (2026): usually 2–4 weeks. The usual steps are:

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.
3. File the registration with the Supreme Court Registry Office (commercial registration).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the National Tax Service (NTS).

Taxation

The corporate tax rate in South Korea in 2026 is 25% headline (progressive brackets), plus local income tax. [1] Standard VAT or sales tax: 10%. [1]

Tax	Rate and notes
Corporate income tax	25% headline (progressive brackets), plus local income tax
VAT / indirect tax	10%
Withholding tax on dividends to non-resident companies	20%

Ongoing compliance

Annual compliance in South Korea: Companies file annual financial statements and tax returns with the National Tax Service (NTS), and keep their details up to date with the Supreme Court Registry Office.

Double tax treaties

South Korea has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
20%	20%	20%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for South Korea lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in South Korea?

Typical registration time in South Korea: usually 2–4 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in South Korea?

Minimum share capital in South Korea: no statutory minimum; KRW 100 million is required for foreign direct investment registration (as of November 2026).

What is the corporate tax rate in South Korea in 2026?

The corporate tax rate in South Korea in 2026 is 25% headline (progressive brackets), plus local income tax. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in South Korea?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in South Korea: not required, but a representative director usually needs a Korean address.

What withholding tax applies to dividends paid from South Korea?

South Korea withholds 20% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- National Tax Service (NTS)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Singapore
- Company formation in Hong Kong
- Company formation in Japan
- Company formation in India
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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Source: https://companyformationwiki.com/company-formation/south-korea/
Version: last updated 25 November 2026. Check the online version for later changes.

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