

GTA Launch Pad: Korea

Points to consider before you launch:

Research and Plan

- **Resource:** [Invest Seoul](#) provides a comprehensive platform for businesses planning to enter the Korean market, offering information on Seoul's business environment, industrial clusters, and startup support facilities. Key areas include digital media, R&D, high-tech industries, biomedical startups, and AI hubs, making Seoul a hub for innovation and growth.

Language Barrier

- The vast majority of people in business settings and government offices (including banks, tax offices, and immigration) do not speak English. This extends to some accelerators as well. For effective communication, especially in decision-making roles, hiring Korean translators or interpreters is necessary.
- **Resource:** You can find translation services through local directories or specific business support platforms. The Korea Tourism Organization provides free translation/interpretation in Korea by calling 02-1330.

Visas and Legalities

- Understanding visa types is crucial for compliance. A comprehensive list of visa types can be found on the [OASIS Visa](#) website. Additionally, the Korean government provides a dedicated helpline for immigration-related queries at 1345 (if calling from inside Korea). You can also contact your local Korean embassy or consulate for more information.
- **Key Visa Types:** Different visa categories cater to various business needs, such as startup visas, investor visas, and work visas, ensuring that you comply with local regulations when establishing your business in Korea.

Funding

- While the K Startup Grand Challenge is accessible to all, other accelerators such as MYSC, Spark Labs, Korea Accelerator Association, Pentaflow, and Tap Angel require a Korean CEO to access funding. Businesses owned by individuals of Korean descent (F4 visa holders) must have over 50% ownership to qualify for certain funding opportunities.
- **Resource:** Detailed information on funding can be found on the [OASIS website](#). Additionally, the Seoul Metropolitan Government has created funds like the Future Innovation Growth Fund to support startups in key industries such as AI, biotech, and advanced manufacturing, providing significant investment opportunities.

Additional Insights on Korea's Business Environment

- **Startup Ecosystem:** Seoul ranks highly in global startup ecosystem reports, boasting strong R&D investments and a robust talent pipeline. The city offers extensive support through various innovation hubs and business districts, fostering a conducive environment for startups and foreign businesses.
- **Industrial Clusters:** Key clusters include the Digital Media City, Magok R&D Complex, G-Valley, Seoul Bio Hub, and AI Yangjae Hub, each specializing in different high-tech industries and providing tailored support to businesses.

Getting Established:

Visa Requirements

- To establish a business in Korea, securing the appropriate visa is crucial. Calling 1345 [Immigration Contact Center](#) is often one of the first points of contact for any visa related questions. Common visas for business purposes include:
- **D-8 Visa (Investor Visa):** Suitable for those engaged in administrative management of foreign-invested companies. It requires a minimum investment of KRW 100 million (approximately USD 90,000) and other criteria specified by the Foreign Investment Promotion Act. Detailed information can be found on the Lee & Lee Law Firm website ([Lee&Lee Law Firm](#)).
- **F-4 Visa (Overseas Korean Visa):** Available for individuals of Korean descent, allowing for business ownership with over 50% stake. It can be obtained by anyone with one of their grandparents being an ethnic Korean, regardless of the country of birth. More details are available on [Premia TNC \(Premia TNC\)](#).
- **F-5 Visa (Permanent Resident Visa):** Grants long-term residency and business privileges after meeting specific criteria such as investment and duration of stay. Check out the [Korea Law Blog](#) for more information ([Lee&Lee Law Firm](#)).

Choosing Your Business Structure

Korea offers several types of business entities:

- **Sole Proprietorship:** Simple to establish but involves personal liability for business debts.
- **Corporations:** Include stock companies, limited liability companies, and partnerships. Corporations offer limited liability protection and are suitable for larger operations. Refer to the Seoul Law Group guide for a detailed explanation ([Seoul Law Group](#)).

Setting Up Your Business

1. **Office Address:** A valid office address is required. While some home addresses are not permissible, virtual office addresses can be used. Be aware that different addresses can receive different types of funding depending on the local government. For example, if you register your office address in Gangnam, you will be eligible for Gangnam startup funding. However, if you register your office address in Itaewon, there is very limited startup funding in that local area.
2. **Business Registration:** Register your business with the tax office. This involves submitting necessary documents like the Alien Registration Card, office lease agreement, and passport. For more information, visit Seoulz ([Seoulz](#)).
3. **Business License:** Obtain a business license from the tax office after registration. It can take 1-3 days for the license to be issued after visiting the local tax office. This step is mandatory for legal operation.
4. **Bank Account:** Open a business bank account with your business registration certificate. Major banks like Hana, IBK, Shinhan, and KB offer English banking services. Detailed steps can be found on Seoulz ([Seoulz](#)).
5. **Home Tax Registration:** Register with the Home Tax system for tax compliance and filings. The [KOTRA guide](#) provides detailed instructions on this process (KOTRA).

Building Your Business:

Understand the Culture

- **Trust and Relationships:** Building trust is more important than networking itself. Koreans value long-term relationships and trustworthiness in business dealings.
 - **Resource:** [Korean Business Culture Guide](#)
- **Networking:** Networking is vital, but it needs to be done respectfully and thoughtfully.
 - **Resource:** [Korean Business Etiquette](#)
- **Business Cards:** Always carry and present business cards. They are a staple in Korean business culture.
- **Industry Events:** Attending industry and networking events is essential. Note that most events are conducted in Korean, so having a translator or learning basic Korean phrases can be beneficial.
 - **Resource:** [Tech Korea Advocates \(TKA\)](#)

Embrace Innovation

- Innovation in Korea is heavily driven by government funding. Key areas of focus include
 - **2023:** Focus on the metaverse.
 - **2024:** Emphasis on generative AI.
 - **Resource:** [Seoul Startups Government Funding Sources](#)
- Korea's government provides extensive support for innovation through various grants and funding programs.

Analyse Target Market

- Understanding your target market is critical for tailoring your products or services effectively:
- **Market Research:** Conduct thorough market research to understand consumer preferences, market size, and competition.
 - **Resource:** [KOTRA Market Research](#)

Expanding Your Business

- When expanding, consider aspects like HR, payroll, and legal entity establishment:
- **HR and Payroll:** Companies like Adecco and TMF Group offer services to help manage payroll and HR for remote employees.
 - **Resource:** [Adecco Korea](#)
 - **Resource:** [TMF Group Korea](#)
- **Establishing a Business Entity:** Understanding the legal and administrative requirements is crucial.
 - **Resource:** [Invest Seoul](#)
- **Regulatory Restrictions:** Be aware of any restrictions that might affect your business operations.
 - **Resource:** [Korea Trade-Investment Promotion Agency](#) (KOTRA)

Key events coming up in 2024:

Major ones include:

- [NextRise Convention](#) - June 2024
- Tech Korea Advocates Event - Sep 2024 (more details coming soon)
- [ComeUp Global Startup Festival](#) - December 2024

Lots of other events are listed here:

<https://allevents.in/seoul/business> <https://www.eventbrite.com/b/south-korea--seoul/business/>

Free Resources

Communities to join

- [TKA \(Website\)](#) - Tech Korea Advocates!
- KakaoTalk is heavily used in Korea (more than email) and there are 'group chats' and 'open chats' that are like forums for people to discuss certain topics
- Foreign Entrepreneurs in Korea (Kakao group chat, available by invitation)
- [Foreign IT & Tech Specialists](#) (Kakao group chat available)

Accelerators

- [K Startup Grand Challenge](#)
- [MYSC](#)
- [Spark Labs](#)
- [Korea Accelerator Association](#)
- [Pentaflow](#)
- [Tap Angel](#)

Free office spaces

- [Google for Startups Seoul](#) - creator studio for podcasts/video, free coworking space, free event hall
- [D Camp](#) - multiple locations
- [Startup Hub](#) - located in Gongdeok

- [TIPS](#) - Tech Incubator Program for Startups. Registering is enough to start using the space for events like panel discussions, presentations, etc.
- Virtual office space renting
 - [My Workspace](#) - renting out virtual office spaces that can be used to register a business. Contact: ron.yang@myworkspace.co.kr. +8210-7920-6543