

Cross Border Business Law Blog

New Changes to Korean M&A Laws

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Thanks to our friends at [Yulchon LLC](#) in Seoul, we've learned about some changes to the M&A laws in Korea, which will take effect this month (February, 2016). They include the following developments:

- Reverse triangle mergers are now permitted.

- Triangular mergers can be used for spun-off businesses.

- The small-scale stock swap exemption to shareholder approvals that are otherwise required in acquisitions is increased to 10% of total issued shares and 10% of net assets; a simple board resolution will suffice.

- A “simplified business transfer” system is introduced, reducing instances when a general shareholder meeting would be required.

- Dissenting shareholder rights are improved in two ways – (1) Non-voting shareholders gained a right of appraisal, and (2) corporations are required to pay consideration for acquired shares within two months of expiration of the dissenting shareholders’ appraisal rights period.

- If a subsidiary acquires parent company shares in a triangular merger or reverse triangular merger, it is given six months after payment of consideration to dispose of such stake to avoid criminal penalties.

Click [here](#) for more details.

Tags: dissenting shareholder rights, Korea, M&A laws, parent company, reverse triangular mergers, right of appraisal, Seoul, simplified business transfer system, small-scale stock swap

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