



# Korea In bound Business Intelligence Monitor

QUARTERLY REPORT — Q2 2026

*Market Entry Trends, Economic Intelligence & Madrid Protocol Refusal Analysis*

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Ahnse specialises in inbound business matters, in particular M&A, IP, corporate advisory, FDI, employment and litigation.

5th Floor, Hansan Building, 115 Seosomun-ro, Jung-gu, Seoul, Korea 04515  
Tel: +82 2 743 0400 · Fax: +82 2 762 2900 · [www.ahnse.com](http://www.ahnse.com) = marktenton@ahnse.com





# South Korea — Q2 2026 Executive Summary

Korea ends Q2 2026 under President Lee Jae-myung's progressive administration, economically resilient but exposed to external shocks, while increasingly assertive in its geopolitical positioning between Washington and Beijing. This report summarises political, economic and legal trends in Korea with a view to providing market intelligence to those interested in in bound investment into the jurisdiction.

## Economic Snapshot

- **GDP Growth:** 2.0% forecast (BOK); IMF at 1.9% — semiconductor upcycle the primary driver
- **Inflation:** CPI 2.2–2.5%; upward pressure from Middle East energy costs
- **Policy Rate:** BOK holds at 2.5%, balancing housing volatility and currency weakness
- **KRW/USD:** ~₩1,493/USD (Dec 2025); range ₩1,305–₩1,560 over prior two years

## Inbound Investment Trends

The United States, China, and Germany are the three largest source markets for inbound commercial activity into Korea in Q2 2026.

The dominant sectors are Electronics & Software, IT & Technology Services and Retail & Business Services — confirming Korea's centrality as a digital economy target market.

## Key Legal Developments

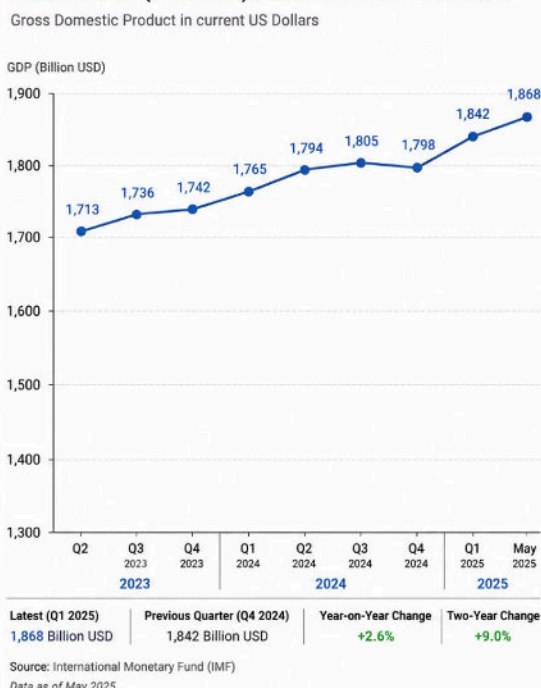
- **Yellow Envelope Law:** Expanded employer obligations to subcontractors — effective March 2026
- **AI Basic Act:** Comprehensive AI framework in force January 22, 2026
- **Personal Information Protection Act Amendments:** Strengthened breach liability and CEO accountability — effective September 2026

## Korean Won (KRW) per 1 US Dollar (USD)

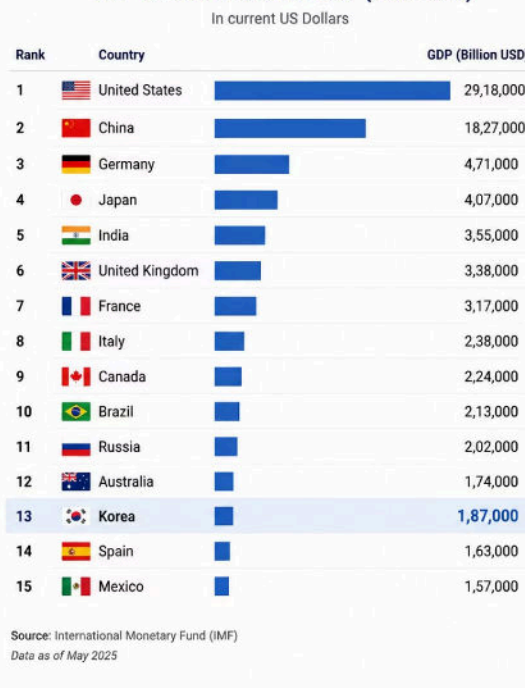


The Korean Won continues to decline against the US Dollar — a headwind for importers, but an increasingly attractive proposition for in bound investors into Korea.

## KOREA'S GDP (NOMINAL) OVER THE LAST TWO YEARS



## TOP 15 COUNTRIES BY GDP (NOMINAL)



Korea remains 13th in the world by GDP, with nominal output of approximately \$1.74 trillion — a stable and substantial market for in bound investment.

CHAPTER 1 ANALYSIS

# Inbound Investment Trends — Analysis

*Trademark filing trends as a leading indicator of inbound commercial activity —  
January through Q2 2026*



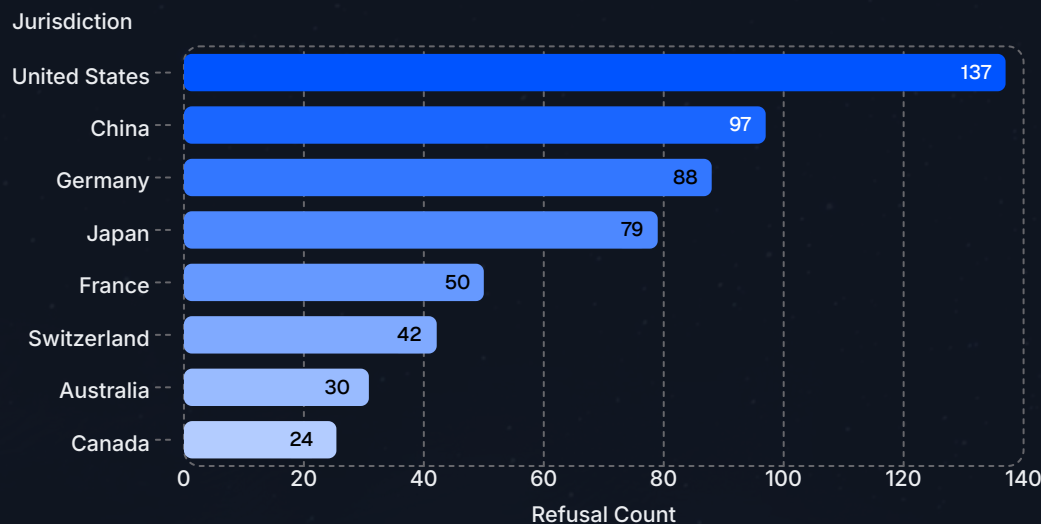
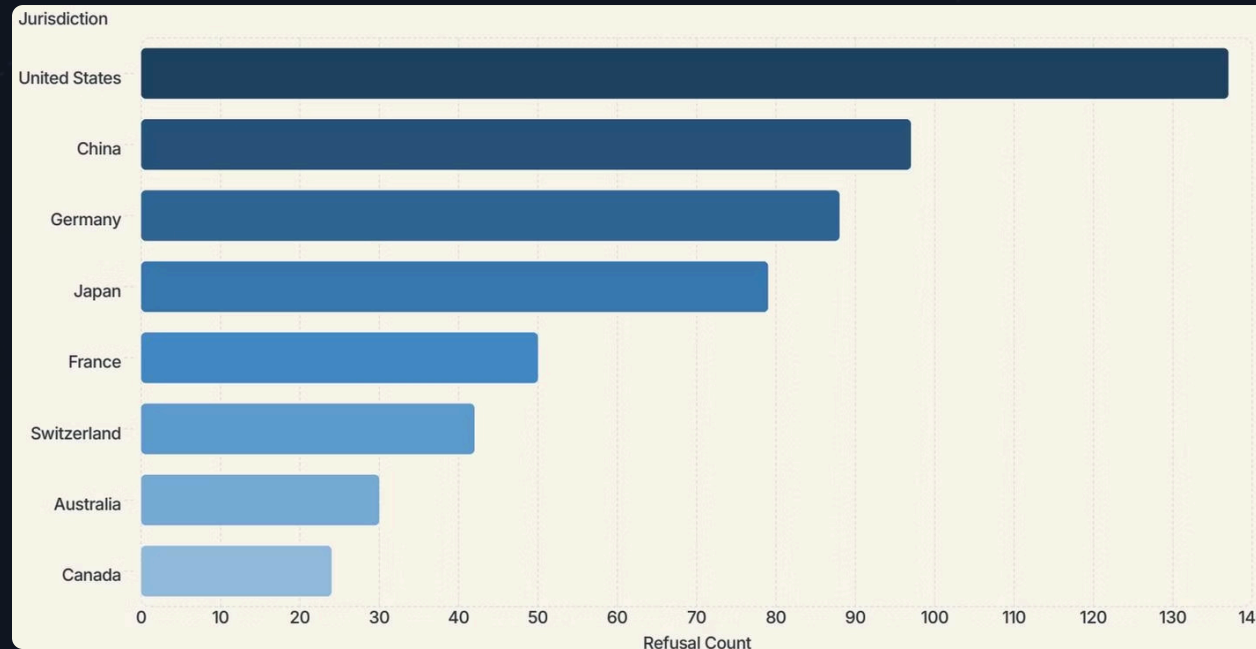
# Trademark Filings as a Proxy for Inbound Commercial Activity

Madrid Protocol provisional refusal data provide a window into inbound business activity. Trademark filings are among the earliest observable indicators of market-entry intention — preceding physical establishment, regulatory registration, or commercial launch by months or years. By analysing provisional refusal trends by jurisdiction and NICE class, it is possible to identify where inbound commercial activity is originating and which industry sectors are most actively targeting the Korean market.

**i** This dataset serves as a leading indicator of commercial intent — not a measure of approved registrations. Foreign companies that have successfully navigated KIPO examination represent an additional and separately quantifiable layer of market penetration not captured here.

# Filing Activity by Jurisdiction — Top Source Markets

The United States is the single largest identified source jurisdiction, accounting for **11.12%** of all refusal records. The top 8 jurisdictions collectively represent the majority of classifiable filings, with a strong concentration in the US, China, and key European economies — each jurisdiction's sector signature tracking closely with its known export and commercial profile vis-à-vis Korea.

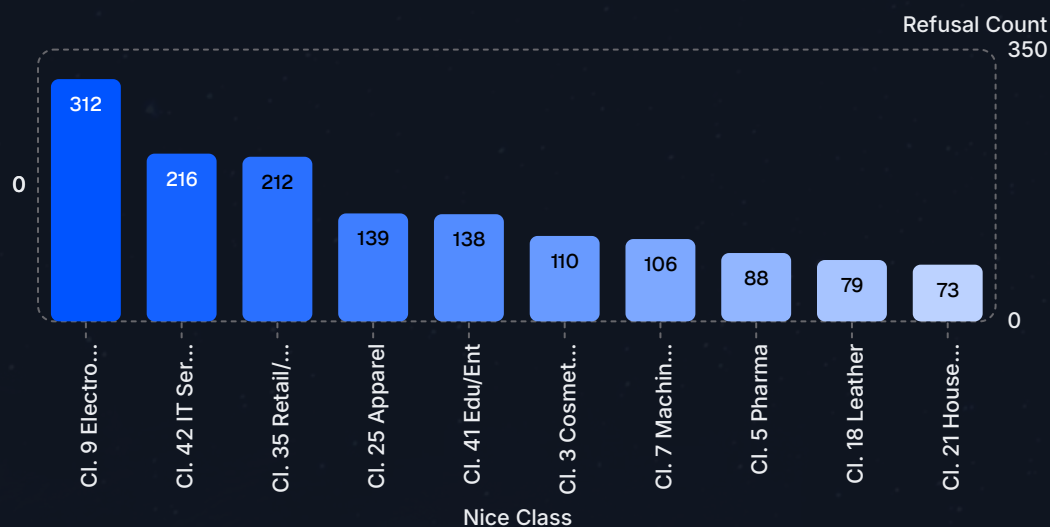
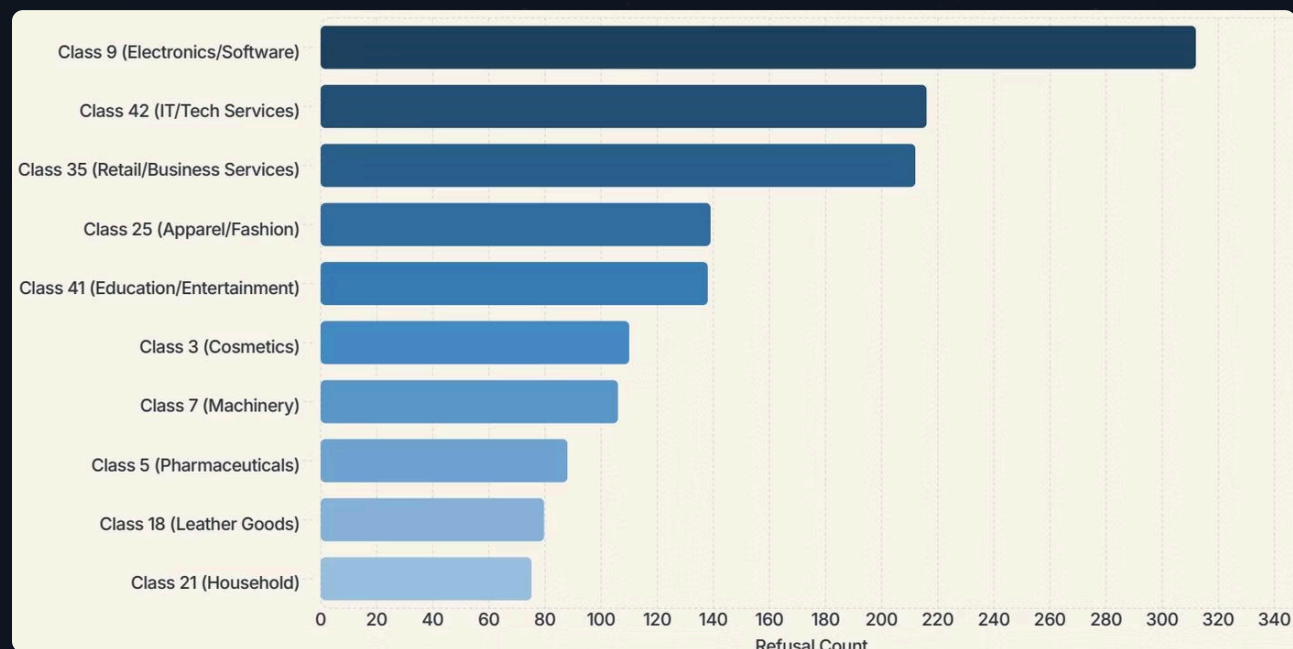


## Jurisdiction Intelligence

- **United States (137 / 11.12%):** Technology, SaaS, and retail services; consistent with US platform and software expansion into Asia-Pacific
- **China (97 / 7.87%):** Consumer electronics, hardware, and cross-border e-commerce; high refusal volume consistent with China's export profile into Korea
- **Germany (88 / 7.14%):** Engineering, industrial electronics, and precision machinery — second-largest European source
- **Japan (79 / 6.41%):** Precision electronics, components, and industrial equipment; strong bilateral trade relationship
- **France (50 / 4.06%):** Fashion, cosmetics, and luxury goods — lifestyle brand multi-class filings
- **Switzerland (42 / 3.41%):** Pharmaceuticals and medical products; specification precision a key examination friction point
- **Australia (30) / Canada (24):** Emerging English-speaking market entrants; consumer goods and services sectors

# Refusal Exposure by Nice Class — Sector Intelligence

Class 9 (Electronics/Software) dominates by a significant margin, confirming Korea's position as a leading digital economy and electronics manufacturing hub. The top three classes — technology products, IT services, and retail/business services — together account for over **27%** of all class-level refusal records, reflecting the overwhelming orientation of inbound commercial interest towards Korea's digital economy.



## Sector-Level Intelligence

- **Class 9 – Electronics/Software (312 / 11.47%):** Technology product and software filings; specification breadth is the primary examination friction point
- **Class 42 – IT/Tech Services (216 / 7.94%):** SaaS and platform service filings; vague service descriptions frequently challenged by KIPO examiners
- **Class 35 – Retail/Business Services (212 / 7.79%):** E-commerce and retail service filings; class scope disputes common
- **Class 25 – Apparel/Fashion (139 / 5.11%):** European fashion brand expansion; driven by France, Italy, and US lifestyle brands
- **Class 41 – Education/Entertainment (138 / 5.07%):** Korea's growing profile as a content and media market — K-culture adjacency driving inbound interest
- **Class 3 – Cosmetics (110 / 4.04%) / Class 5 – Pharma (88 / 3.23%):** Steady inbound activity; both face specification-level scrutiny
- **Class 7 – Machinery/Industrial (106 / 3.90%):** German and Japanese industrial equipment filings

# Jurisdiction × Nice Class Interaction Patterns — Strategic Signals

The most strategically informative signals emerge from the intersection of source jurisdiction and Nice class. These pairings reveal sector-specific filing pressure that is structurally consistent with each jurisdiction's export and commercial profile — refusal exposure is not random but tracks predictable commercial expansion strategies into Korea. The matrix below maps the primary jurisdiction–sector interactions with their strategic implications for KIPO examination planning.

Jurisdiction	Nice Class	Sector	Strategic Signal & Examination Friction
United States	Class 9	Electronics/Software	High-volume tech; specification breadth a key friction point — US platform businesses face consistent KIPO challenges
United States	Class 42	IT/Tech Services	SaaS/platform filings; vague descriptions frequently challenged; require precise service delineation
China	Class 9	Electronics/Software	Consumer electronics; high refusal volume consistent with China's export-led Korea strategy
China	Class 35	Retail/Business Services	Cross-border e-commerce distribution services; active filing pattern; class scope disputes common
Japan	Class 9	Electronics/Software	Precision electronics and components; strong filing volume reflecting bilateral trade depth
Japan	Class 7	Machinery/Industrial	Industrial manufacturing equipment; consistent with Japan's Korean export sectors
France	Class 25	Apparel/Fashion	Luxury/fashion brand expansion; multi-class filings signal continued European premium consumer goods push
France	Class 3	Cosmetics	Fragrance and skincare; active inbound consumer sector; specification-level scrutiny applies
Germany	Class 7	Machinery/Industrial	Precision machinery; technical specification issues are the dominant examination friction point
Switzerland	Class 5	Pharmaceuticals	Pharma/medical products; specification precision is critical — heightened KIPO scrutiny on goods descriptions



CHAPTER 2

# Political & Geopolitical Developments

*The Lee Jae-myung administration, US–Korea relations, China policy, and regional security dynamics — Q2 2026*

# The Lee Jae-myung Administration — Domestic Political Landscape

President Lee Jae-myung, who assumed office in mid-2025 following the political crisis triggered by former President Yoon Suk-yeol's short-lived martial law declaration, has entered Q2 2026 navigating a complex domestic political environment. His Democratic Party holds a National Assembly majority but faces internal coalition tensions that are slowing the legislative agenda.

## KOSPI 5,000 Milestone

The KOSPI index breached the 5,000-point mark on January 22, 2026 — a cornerstone of Lee's economic campaign promises. The milestone was overshadowed by intra-coalition political tensions as coalition partner Jung held a sudden press conference proposing a formal merger with the Rebuilding Korea Party.

## AI Redistribution Controversy

Presidential chief of staff Kim Yong-beom's remarks about "structurally returning" AI boom gains to citizens triggered a **5.1% intraday KOSPI drop**. Foreign investors sold over **\$3.3 billion (₩5 trillion)** in shares before the administration issued a clarification statement — illustrating extreme policy-rhetoric sensitivity.

## Korea Premium Agenda

President Lee has publicly criticised the "unfair undervaluation" of Korean stocks and is pursuing governance reforms to transform Korea into a leading advanced capital market. The agenda targets chaebol (conglomerate) governance, cross-shareholding structures, and shareholder rights — aimed at eliminating the structural "Korea discount."

## Legislative Friction

Despite a **162-seat majority**, the ruling Democratic Party has been slow to process key economic legislation. Lee publicly criticised the pace in February 2026, warning Korea risks falling behind in international competition: *"With the current legislative speed, it is very difficult to proactively respond to changes in the international community."*

# US-Korea Relations — Strategic Alliance Under Tariff Pressure

The Korea-US alliance remains the cornerstone of Seoul's security architecture, but the relationship is being tested by Washington's aggressive trade posture under the Trump administration. Korea is pursuing a dual strategy: deepening strategic industrial cooperation while simultaneously managing tariff exposure — a delicate diplomatic balancing act with direct implications for investment flows and export competitiveness.

## Shipbuilding Partnership

Industry Minister Kim Jung-kwan visited Washington (May 6–9, 2026) for meetings with Commerce Secretary Lutnick, Energy Secretary Wright, and OMB Director Vought. The visit produced a signed MOU on a "**Korea-US Shipbuilding Partnership Initiative**" covering joint research, direct investment, workforce development, and a bilateral shipbuilding cooperation centre.

## Nuclear & Digital Cooperation

Discussions on nuclear energy cooperation and digital policy issues with US officials and Senator Bill Hagerty — reflecting Korea's ambition to be a strategic partner in next-generation energy and technology sectors.

## Tariff Exposure & Strategic Investment

US tariffs (25% threatened on Korean goods) are a significant headwind for Korea's export-led economy. Korea's **Special Act on Strategic Investment in the United States** is designed to demonstrate industrial commitment to Washington and provide a legislative basis for Korean companies to invest in US manufacturing and infrastructure — the primary negotiating lever in tariff discussions.

## G20 Positioning

Korea is actively cooperating on key agenda items during the US's 2026 G20 presidency, positioning for its own **G20 presidency in 2028**. Lee emphasised the need for close coordination and signalled that the bilateral relationship remains central to Korea's global economic strategy.

## Risk Assessment

**⚠️** Tariff uncertainty and US industrial policy nationalism remain the primary near-term risks to the bilateral economic relationship. Foreign investors with US-Korea supply chain exposure should monitor tariff negotiation outcomes through H2 2026.

# China–Korea Relations, North Korea & Regional Geopolitics

Korea is navigating an increasingly complex triangular dynamic between Washington and Beijing, while managing a recalibrated North Korea policy under President Lee's "pragmatic diplomacy" doctrine. Seoul's strategic positioning as a neutral host for great-power dialogue reflects both economic necessity and a deliberate assertion of strategic autonomy.

## US–China Talks Hosted in Seoul

President Lee met separately with US Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng as Seoul hosted high-level US–China trade talks — a significant diplomatic positioning that underscores Korea's emerging role as a neutral dialogue venue between the two powers.

## Critical Minerals Cooperation

Lee emphasised expanded cooperation in **critical minerals supply chains**, foreign exchange markets, and strategic investment with both Washington and Beijing — a dual-track approach reflecting Korea's deep economic interdependence with both powers simultaneously.

## ROK–China Normalisation

Lee described restoration of ROK–China ties through reciprocal state visits as a key achievement of his "pragmatic diplomacy centred on national interests." The normalisation of relations represents a significant reversal of the chill that characterised the Yoon era.

## North Korea Policy Reset

Lee has adopted a softer stance — prioritising peaceful coexistence and phased denuclearisation over Yoon's precondition-based approach. Denuclearisation has been repositioned as an "eventual goal" rather than a precondition for dialogue. The North Korea policy office has been reinstated to facilitate engagement channels.

## Strategic Autonomy Doctrine

Lee has articulated "**strategic autonomy**" and "**self-reliant national defence**" as guiding principles — warning that global growth slowdown risks escalating from economic disputes to military confrontation. This doctrine signals Korea's intention to resist being forced into an exclusive alignment with either Washington or Beijing.

## Middle East War: Economic Transmission

Escalating geopolitical risks from the Middle East conflict are weighing directly on Korea's growth and inflation outlook. Energy price shocks represent the primary transmission channel — Korea imports the vast majority of its energy requirements, making it acutely sensitive to oil and gas price volatility driven by regional conflict dynamics.



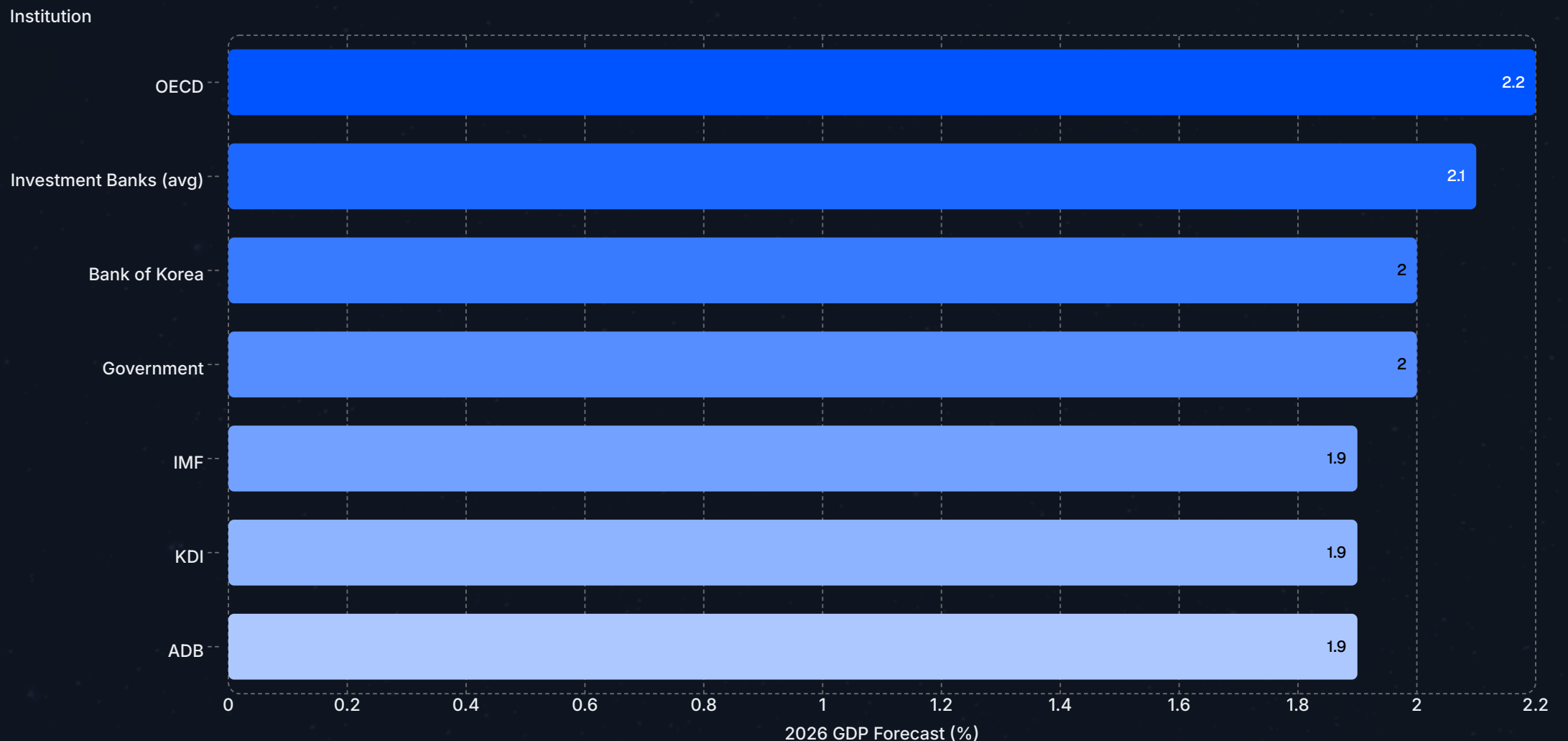
## CHAPTER 3

# Economic Developments & Market Conditions

*GDP outlook, currency dynamics, monetary policy, capital markets, and structural sector analysis — Q2 2026*

# GDP, Growth Outlook & Macroeconomic Conditions

Korea's economy is on a moderate recovery trajectory in 2026, underpinned by a robust semiconductor upcycle and export recovery, but facing headwinds from US tariff policy, Middle East energy shocks, and sluggish domestic construction investment. Multiple institutions converge on approximately 2% growth — a meaningful upgrade from the 1.6–1.8% range that characterised late 2025 forecasts.



## Key Growth Drivers

- **Semiconductor upcycle:** The primary upward revision driver — Samsung Electronics and SK Hynix the principal beneficiaries of AI-driven HBM demand
- **Export performance:** Projected to expand 2.1% (vs prior forecast of 1.4%); semiconductors, petrochemicals, and shipbuilding leading
- **Private consumption:** Expected to grow 1.8%; facility investment +2.4%
- **Nominal GDP:** Korea ranks 13th globally at approximately \$1.74 trillion; upward trend from ~\$1,713bn (Q2 2022) to ~\$1,848bn (2024)
- **Supplementary budget:** Active fiscal support deployed to partially offset external shocks

## Primary Downside Risks

- **Middle East war supply shock:** Energy price transmission into CPI and current account
- **US tariff uncertainty:** 25% threatened tariffs on key Korean export sectors
- **Construction investment:** Sluggish recovery; housing market volatility constraining investment appetite
- **Policy uncertainty:** Redistributive rhetoric creating foreign investor anxiety (see KOSPI episode)
- **Currency weakness:** Structural KRW depreciation pressure weighing on import costs and inflation

# Currency, Inflation, Interest Rates & Capital Markets

Korea's monetary and financial conditions reflect a delicate balance: a central bank holding rates steady to manage housing market risks and currency weakness, while inflation faces renewed upward pressure from external energy shocks. The KOSPI's historic 5,000-point breach marks a psychological milestone — but markets remain acutely sensitive to policy rhetoric.

## ₩1,493

### KRW/USD Rate

Most recent (Dec 2025); two-year range ₩1,305–₩1,560. Structural depreciation pressure persists driven by domestic cyclical and structural factors.

## 2.5%

### BOK Policy Rate

Held at estimated neutral rate. Korea Capital Market Institute projects rate to remain at 2.5% throughout 2026 — balancing housing market stability and currency management.

## 2.2–2.5%

### CPI Inflation

BOK projects 2.2%; IMF revised sharply upward to 2.5% following Middle East war energy price surge — upside risks dominant through H2 2026.

## 5,000

### KOSPI Milestone

Index breached 5,000 points in January 2026 — a historic first. Market fell 5.1% intraday on AI redistribution remarks before partially recovering.

### Long-Term Rate Outlook

10-year government bond yields expected to fluctuate around current levels; upside risks to Korea's term premium are dominant. Considering US term premium dynamics and domestic bond supply conditions, rapid increases in rates and volatility could generate instability through leveraged bond investments by private funds and potentially widen credit spreads — a key systemic risk to monitor.

### WGBI Inclusion — Structural Tailwind

Korea's inclusion in the **World Government Bond Index (WGBI)** is expected to provide structural support for the won and attract institutional fixed-income inflows. This represents one of the most significant structural positive catalysts for Korea's capital markets in the near to medium term, potentially absorbing significant sovereign bond supply and reducing borrowing costs.

# Semiconductors, Technology & Export Sectors

Korea's semiconductor industry remains the single most important driver of export performance and GDP growth. The current upcycle is the primary factor behind upward revisions to Korea's 2026 growth forecasts across all major institutions — and the sector sits at the intersection of Korea's economic strategy, geopolitical relationships, and regulatory environment simultaneously.



## Semiconductor Upcycle

The robust semiconductor cycle is the primary driver of Korea's upgraded 2026 growth forecast. **Samsung Electronics** and **SK Hynix** are the principal beneficiaries — both companies are critical nodes in the global AI supply chain, supplying high-bandwidth memory (HBM) and advanced logic chips to AI data centre builders worldwide. AI infrastructure buildout is sustaining demand well beyond prior upcycle projections.



## Policy Sensitivity Risk

Presidential remarks about "structurally returning" AI boom gains to citizens triggered a **\$3.3 billion foreign investor sell-off** and a 5.1% intraday KOSPI decline — illustrating the market's extreme sensitivity to any perceived threat to semiconductor sector profitability. The episode demonstrates that policy communication risk is as significant as direct regulatory risk for Korea's flagship technology sector.



## Shipbuilding Renaissance

The Korea–US Shipbuilding Partnership Initiative signals a strategic revival of Korea's shipbuilding sector — historically one of Korea's three core export industries alongside semiconductors and automotive. Joint investment, workforce development programmes, and a bilateral cooperation centre are being established. The sector's revival has geopolitical dimensions beyond pure commercial value.



## Technology Export Risks

US tariff policy and potential export controls on advanced semiconductor equipment remain the key downside risks to Korea's technology export outlook. Exports are projected to expand 2.1% in 2026 — significantly above prior forecasts of 1.4% — but this baseline is contingent on tariff negotiations resolving without severe restrictions on Korean technology goods. Monitor US–Korea tariff discussions as the primary leading indicator.

# Demographics, Labour Market & Long-Term Structural Risks

Korea's demographic challenge is among the most severe of any advanced economy. With one of the world's lowest birth rates and a rapidly ageing population, structural pressures on Korea's fiscal position, labour market, and long-term growth potential are intensifying — creating both material risk and targeted investment opportunity for internationally-oriented businesses.

## Demographic Profile

Population: ~**51 million**; highly urbanised, concentrated in Seoul metropolitan area. Working-age population is now in structural decline. One of the world's lowest total fertility rates. As more workers retire and fewer younger workers enter the workforce, the tax base shrinks while pressure on pensions, healthcare, and welfare spending intensifies simultaneously — compressing fiscal headroom over the medium term.

## Labour Market Implications

Declining workforce participation rates; upward pressure on wages in skilled sectors; increasing reliance on automation and AI to offset labour shortages. The Yellow Envelope Law's expanded employer obligations add material cost and compliance complexity to an already tightening labour market for large manufacturers and logistics operators.

## Investment Risk & Opportunity Matrix

Risk	Implication
Shrinking domestic market	Long-term demand headwinds for consumer-oriented businesses
Labour cost escalation	Manufacturing cost competitiveness under structural pressure
Fiscal constraint	Reduced capacity for demand-side economic stimulus
Opportunity	Implication
Healthcare & eldercare	Rapid demand growth for medical devices, care services, and pharma
Automation & AI	Premium demand for productivity technologies to offset labour scarcity
Fintech & pension	Expanding asset management and retirement financial services market

## Korea Premium / Korea Discount

Governance reforms under the "Korea Premium" agenda aim to address the persistent undervaluation of Korean equities relative to global peers — a structural issue linked to chaebol governance, cross-shareholding structures, and historically weak minority shareholder rights. Successful reform would represent a significant re-rating catalyst for Korean equities.

CHAPTER 4

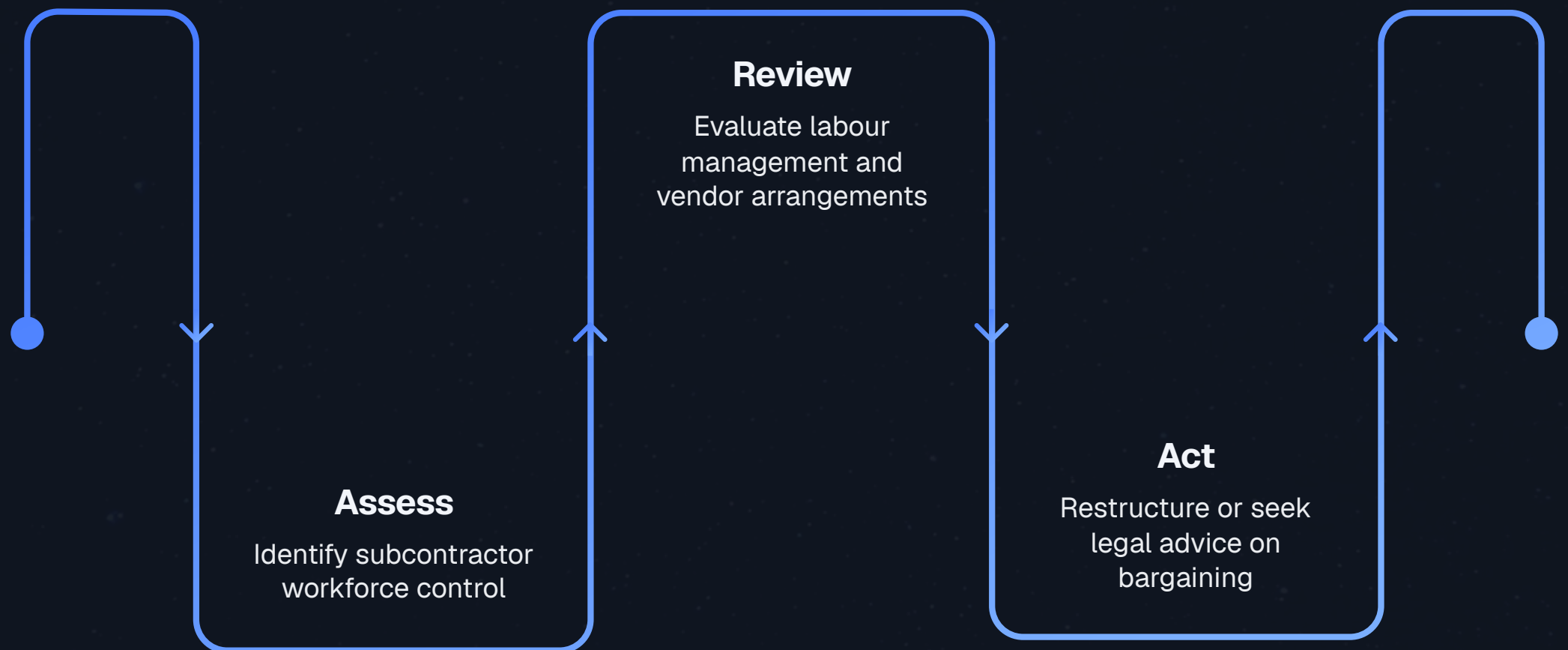
# Legal & Regulatory Developments

*Yellow Envelope Law, AI Basic Act, PIPA amendments, foreign investment screening,  
and corporate governance — Q2 2026*



# Labour Law — The Yellow Envelope Law & Subcontractor Risk

The most significant labour law development of Q1 2026 is the entry into force of amendments to Korea's Trade Union and Labour Relations Adjustment Act — colloquially known as the "**Yellow Envelope Law**." The practical implications for foreign companies operating through subcontracting structures are potentially far-reaching, and immediate compliance review is warranted.



## What Changed — Core Provisions

- **Expanded "employer" definition:** Amendments to Articles 2 and 3 significantly expand the definition of "employer" — a company may now have collective bargaining obligations even where workers are technically employed by subcontractors or service providers, provided the company exercises "*substantial and specific control*" over working conditions
- **Broader dispute definition:** The law broadens the concept of legitimate labour disputes and makes it more difficult for companies to pursue damages claims against unions for strike activity
- **Parallel negotiations risk:** Principal contractors may face simultaneous collective bargaining negotiations with both direct employees and subcontractor unions — a material operational complexity

## Sectors & Compliance Priorities

- **Most affected sectors:** Manufacturing, logistics, and shipbuilding — industries with heavily subcontracted structures; large Korean corporates and foreign investors are now reassessing labour management procedures and vendor arrangements
- **Key legal uncertainty:** The concept of "substantial and specific control" will require judicial interpretation over time — creating an extended period of legal ambiguity for compliance planning
- **Foreign company priority action:** Conduct immediate review of subcontracting arrangements; assess whether operational control over vendor workforces could trigger the new employer definition; evaluate collective bargaining exposure across the entire vendor chain

⊗ Foreign companies in manufacturing, logistics, or any sector with subcontracted workforce structures should treat Yellow Envelope Law compliance as an urgent priority. Failure to restructure affected arrangements ahead of enforcement action or union recognition demands may create significant bargaining exposure.

# Data Privacy, AI Regulation & Digital Assets

Korea is moving rapidly towards a stricter digital compliance environment across three interconnected regulatory fronts: data protection, AI governance, and digital asset regulation. Foreign companies with Korean operations or Korean user data face a materially more demanding compliance landscape from 2026 onwards — with multiple regulatory deadlines converging in H2 2026.

1

## AI Basic Act — In Force

**Effective January 22, 2026.** Korea's comprehensive AI regulatory framework — one of the first in Asia — is now in force. Overseas AI providers without a local presence must appoint a **domestic agent** in Korea. AI systems with significant effects on human life, safety, or fundamental rights are designated as "**high-impact AI**" and face distinct regulatory treatment including mandatory pre-deployment assessment.

2

## PIPA Amendments — September 2026

**Effective September 2026.** Amended Personal Information Protection Act introduces: increased potential fines; **CEO accountability** for data breach failures; enhanced breach notification requirements (including notification on mere suspicion of a breach); and materially greater PIPC enforcement and oversight powers — triggered by high-profile 2025 cyber incidents affecting Korean users.

3

## PIPA Second Revision — Pending

The government and ruling party are pursuing further amendments that would remove "**intentional or negligent**" clauses from statutory damage requirements and introduce **data preservation orders**. This represents a significant elevation of corporate liability exposure — effectively moving towards strict liability for data incidents — creating heightened tension across the ICT industry and particularly for foreign cloud and data service providers.

4

## Digital Assets Framework

Korea is accelerating work on a comprehensive legal framework for blockchain and digital assets, including **licensing requirements**, stablecoin regulation, and institutional supervision of crypto businesses. Companies operating or planning to operate in Korea's crypto and digital asset market should anticipate a materially more regulated operating environment by 2027.

⚠ The convergence of AI Basic Act obligations (already in force), PIPA amendment deadlines (September 2026), and ongoing second revision discussions means foreign technology and data companies face an unusually compressed compliance planning window. Legal review of Korean digital operations should be treated as an immediate priority.

# Corporate Governance, Foreign Investment & IP Developments

Korea's regulatory environment for foreign investors is evolving on multiple fronts simultaneously — from governance reforms targeting the "Korea discount" to tightening foreign investment screening and active IP enforcement. The overall direction is towards a more regulated but more transparent market, with foreign investors expected to meet increasingly sophisticated governance and compliance standards.

## Korea Discount / Governance Reform

Korea continues its campaign to address the "**Korea discount**" through governance reforms improving shareholder protections, treasury share cancellation rules, and director accountability. The "Korea Premium" agenda is aimed at attracting long-term institutional investment and reducing the structural gap between Korean equity valuations and those of comparable markets — particularly Japan, where similar reforms have yielded measurable re-rating effects.

## Foreign Investment Screening Framework

Foreign investments in Korea are regulated under three principal instruments: the **Foreign Investment Promotion Act (FIPA)**, the **Industrial Technology Act (ITA)**, and the **National High-Tech Strategic Industries Act (NHTSIA)**. Investments involving National Core Technologies or National Advanced Strategic Technologies face additional review layers and potential conditions — particularly relevant for semiconductor, defence, and advanced materials sectors.

## IP & Trademark — KIPO Examination Standards

KIPO examination standards continue to generate significant provisional refusal rates for Madrid Protocol filers. The three primary friction points identified in this report's dataset are: (i) **specification breadth** — overly broad goods/services descriptions; (ii) **vague service descriptions** — particularly in Class 42 SaaS and platform services; and (iii) **class scope disputes** — particularly in Class 35 retail/e-commerce services. Pre-filing specification review aligned to KIPO-accepted terminology is strongly recommended.

## Compliance Risk Summary — Priority Actions

- **(i)** Subcontracting structure review — Yellow Envelope Law employer definition exposure
- **(ii)** AI system classification and domestic agent appointment — AI Basic Act compliance
- **(iii)** PIPA compliance audit ahead of September 2026 amendment effective date
- **(iv)** Trademark specification review for KIPO filings — reduce provisional refusal exposure
- **(v)** Foreign investment screening assessment — National Core/Advanced Strategic Technology coverage



# Ahnse Law Offices

*Supporting inbound business, investment, and market entry into Korea.*

## **Address**

5th Floor, Hansan Building  
115 Seosomun-ro, Jung-gu  
Seoul, Korea 04515

## **Contact**

**Tel:** +82 2 743 0400  
**Fax:** +82 2 762 2900  
**Web:** [www.ahnse.com](http://www.ahnse.com)

## **Practice Focus**

Inbound business, corporate, intellectual property, and regulatory matters for foreign companies and investors operating in Korea.

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