



## South Korea

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Official Language:	Korean
Monetary Unit:	Won
Stock Exchanges:	<a href="#">Korea Stock Exchange</a>
Regulatory Authority:	Securities and Exchange Commission (SEC)

### Forms of Business Enterprise

*Chusik Hoesa* — limited liability company  
*Yuhan Hoesa* — limited liability company  
*Hapmyong Hoesa* — unlimited liability company  
*Hapja Hoesa* — unlimited liability company  
*Branch of foreign company*  
*Representative Office*  
*Sole proprietorship* — not legally recognized  
*Partnerships* — not legally recognized

### Audited Statements

Publicly traded companies must file annual, audited financial statements with the SEC at least one week before the annual shareholders' meeting, which should be held within three months after the fiscal year's end. The Commercial Code and tax regulations require all incorporated businesses to publish a copy of their fiscal year-end balance sheets in a public newspaper.

The basic financial statement includes a balance sheet, an income statement, a statement of appropriation of retained earnings, a statement of changes in financial position and notes. Also required are a schedule of unappropriated retained earnings and a schedule of cost of goods manufactured.

Unaudited, semi-annual financial statements must be filed with the SEC within 45 days after the period's end.

### Consolidated Statements

Korean accounting regulations require that consolidated financial statements be prepared for a company that owns more than half of the total outstanding voting stock of another company. Only since 1993 has the SEC begun enforcing this requirement.

## Additional Information

In 1982, the SEC issued a regulation (with approval from the Ministry of Finance) describing the Financial Accounting Standards (FAS) to be followed by all business enterprises. Korean financial statements are more detailed than those prepared in the U.S.

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