

Korea: Key Characteristics

- **Rules are strict and specific**
 - No value transfer to HCPs is permitted, if for a sales promotional purpose
 - Law and industry code provide positive list of safe harbors
- **Government enforcement is active and aggressive**
 - Dawn raids, seizure of electronic documents are the norm
 - Third party transactions under greater scrutiny
- **Same set of violations can trigger different sanctions under multiple laws**
 - Company subject to “joint liability” for violations of employees
 - Company also subject to administrative sanctions (suspension of sales and insurance reimbursement), with more severe long-term business impact
- **New transparency reporting requirement in place, since January 1, 2018**
 - New window for government scrutiny of HCP interactions