

Dealing with Corporate Self-Dealing in Korea: A New Institutional Law and Economics Approach

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Abstract

Corporate self-dealing is an important conduit for transferring value among *chaebol* and other group-affiliated companies in Korea. While many countries regulate self-dealing as a corporate law matter, in Korea, it is in some crucial aspects considered as a competition law issue. This article employs a new institutional law and economics perspective and considers whether it is justifiable to regulate self-dealing as a competition law issue. After reviewing the current institutional infrastructure in Korea and analysing relevant transaction costs, it is argued that the current approach to self-dealing in Korea is justifiable for now.

I. Introduction

Self-dealing has attracted different responses in different countries. In some jurisdictions, self-dealing may be permitted with the approval of the shareholders

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