GR Korea newsletter: Special Edition

The EQT-Douzone Deal and Korea’s Mandatory Tender Offer Debate

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On 15 July, Sweden’s EQT Group, the world’s second-largest private equity firm, completed its acquisition and delisting of Douzone Bizon, Korea’s enterprise resource planning (ERP) firm, through its Baring Private Equity Asia (BPEA) arm. The deal has become a test case in the National Assembly’s renewed mandatory tender offer debate.

The transaction began with a November 2025 stock purchase agreement. After minority shareholders criticized their exclusion from the premium, EQT ran a second tender offer, converted preferred shares, and made open-market purchases, raising its voting stake above 95 percent, meeting the delisting threshold and making Douzone a wholly owned subsidiary. The ruling Democratic Party plans to pass a Capital Markets Act amendment protecting minority shareholders before year end.

Legislative response

Nine bills to amend the Capital Markets Act are pending in the 22nd National Assembly, with **mandatory tender offer rules** the central point of disagreement.

Table 1. Key bills proposed

Lee Kang-ill, DP	Kim Hyun-jung, DP	Kang Min-kuk, PPP
Requires a **full tender offer until the stake reaches more than 50%** once an acquirer's stake crosses 25%.	Requires a **mandatory tender offer**, once an acquirer's stake crosses **25%,** weighing against the 50%+1 rule proposal.	Requires **PIPC review of M&A deals** involving large-scale **overseas personal-data transfers.**
12 Mar 2026 (in subcommittee)	2 Apr 2026 (in subcommittee)	21 Jun 2026 (proposed)

Analysis: 50%+1 vs Full buyout

The debate centers on two possible tender offer structures, illustrated below for a company with 100 shares outstanding where a buyer already holds 30.

Proposals requiring **a full buyout of remaining shares currently appear to have stronger political momentum**, extending the same exit opportunity to every shareholder once control changes hands. This marks a shift from the Financial Services Commission's 2022 proposal, which would have set the threshold at only 50 percent plus one share of total outstanding shares.

50%+1 rule: the buyer needs 51 shares in total, so 21 more. The remaining 49 shares do not need to be purchased.

Full buyout rule: the buyer must offer to buy all 70 remaining shares at the same price.

Table 2. Two structures, two different burdens

	50%+1 Share Rule	Full Buyout Rule
Tender offer target	Majority of shares outstanding (50%+1)	All remaining shares
Cost to acquirer	Relatively low	Substantially higher
Minority shareholder protection	Partial	Strongest
Effect on M&A activity	Comparatively favorable	Could dampen deal volume
Control acquisition	Achievable	Achievable

International reference: *The UK (30%) and parts of Europe require an offer for all remaining shares once a control threshold is crossed; Japan mandates a full buyout above two-thirds ownership. The U.S. has no such rule, leaving minority shareholders to rely on fiduciary duties and appraisal rights.*

What to watch next

Shareholders and acquirers want different rules

The National Policy Committee is expected to continue reviewing the amendments in the coming months, with the Financial Services Commission contributing its policy position and the ruling party aiming to pass an amendment before year end. We will provide updates as the process moves forward.

Minority shareholders generally favor the full buyout rule, since every shareholder can sell at the same premium with no pro rata scale-back. Acquirers generally favor the 50%+1 rule, which requires less capital and makes deals easier to complete.

The debate ultimately weighs shareholder protection against M&A practicality. Both proposals remain under active discussion in the National Assembly.

Implications for shareholders and acquirers

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