

Financial Transaction Reports Act

Amended May, 2010

Article 1 (Purpose)

The purpose of *the Financial Transaction Reports Act* (hereinafter the “Act”) is to provide for matters related to the filing and the use of financial transaction reports required to regulate money laundering activities and financing for offences of public intimidation using financial transactions including foreign currency transactions, thereby preventing crimes and contributing to establishment of a sound and transparent financial system. <Amended Dec. 21, 2007>

Article 2 (Definitions)

For the purpose of this Act, the definitions of the terms shall be as follows: <Amended May 17, 2010>

1. “Reporting entities” shall mean any of the following :
 - a. Korea Development Bank, Export-Import Bank of Korea, Industrial Bank of Korea, and other banks governed by *the Banking Act*;
 - b. Long-term credit banks governed by *the Long-Term Credit Banks Act*;
 - c. Investment trading companies, investment brokerage companies, collective investment companies, trust companies, securities finance companies, merchant banks and institutions providing book entry services governed by *the Act on the Capital Market and Financial Investment Services*;
 - d. Mutual savings banks and Korea Federation of Savings Banks governed by *the Mutual Savings Banks Act*;
 - e. Agricultural cooperatives and the National Agricultural Cooperatives Federation governed by *the Agricultural Cooperatives Act*;
 - f. Fisheries cooperatives and the National Federation of Fisheries Cooperatives governed by *the Fisheries Cooperatives Act*;
 - g. Credit cooperatives and the Central Credit Cooperative Association governed by *the Credit Cooperatives Act*;
 - h. Community credit cooperatives and the Korean Federation of Community Credit Cooperatives governed by *the Saemaul Savings Depository Act*;
 - i. Deleted; <Aug. 3, 2007>

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- j. Deleted; <Aug. 3, 2007>
 - k. Insurance companies governed by *the Insurance Business Act*;
 - l. Postal offices governed by *the Postal Savings and Insurance Act*;
 - m. Deleted; <Aug. 3, 2007>
 - n. Casinos licensed under the *Tourism Promotion Act* (hereinafter “casinos”); and
 - o. Others prescribed by the *Presidential Enforcement Decree*, from among those engaged in making financial transactions under Subparagraph 2.
2. “Financial transactions” shall mean any of the following:
- a. Transactions in which reporting entities receive, sell and purchase, repurchase, mediate, discount, issue, redeem, are entrusted with, register, or exchange financial assets (“financial assets” as defined in Article 2 Paragraph 2 of the *Real Name Financial Transactions and Guarantee of Secrecy*, or in which reporting entities pay interest, money discounted, or dividends of those financial assets or act for such payment, or other transactions involving financial assets as determined by the *Enforcement Rule of the Real Name Financial Transactions and Guarantee of Secrecy*;
 - b. Financial transactions in the derivatives market pursuant to *the Financial Investment Services and Capital Markets Act*, and other financial transactions as prescribed by the *Presidential Enforcement Decree*.
 - c. Exchange of cash into instruments used as substitutes for cash or checks in a casino specified by the *Presidential Enforcement Decree* and vice versa
3. “Illegal assets” mean any of the following:
- a. Criminal proceeds and related properties as defined in Article 2 Paragraph 4 of *the Proceeds of Crime Act* (hereinafter the “*POCA*”); and
 - b. Illegal profits, etc. referred to in Article 2 Paragraph 5 of *the Act on Special Cases Concerning Prevention of Illegal Trafficking in Narcotics, etc.*
 - c. “Funds for public intimidation offences” as is defined in Article 2 Paragraph 1 of the *“Prohibition of Financing for Offences of Public Intimidation Act”*
4. “Money laundering” means any of the following:
- a. Offences under in Article 3 of the *POCA*;

- b. Offences under Article 7 of *the Act on Prevention of Illegal Trafficking of Narcotic Substances*; and
 - c. Disguising of facts related to acquisition or disposition of assets or the origin of assets, or concealing such assets with the intention of committing offences prescribed in Article 9 of *the Punishment of Tax Evaders Act*, Article 270 of *the Customs Act*, or Article 8 of *the Act on the Aggravated Punishment of Specific Crimes*
5. “Financing for offences of public intimidation” means any act that constitutes an offence under Article 6 Paragraph 1 of the *“Prohibition of Financing for Offences of Public Intimidation Act”*

Article 3 (Korea Financial Intelligence Unit)

- ① Korea Financial Intelligence Unit (hereinafter “KoFIU”) shall be established under the Financial Services Commission to perform the following functions: <Amended Feb. 29, 2008>
 1. Compiling, analyzing, and disseminating information that are reported to it pursuant to Articles 4, 4-2, and 6 of this *Act*;
 2. Supervision and inspection of financial institutions’ operations in accordance with Articles 4, 4-2, 5, and 5-2 of this *Act*;
 3. Cooperation and exchange of information with foreign financial intelligence units pursuant to Article 4 Paragraph 6 Subparagraph 2 of this *Act*;
 4. Activities related to the *Prohibition of Financing for Offences of Public Intimidation Act*; and
 5. Other activities related to subparagraphs 1 through 4 above, as prescribed by the *Presidential Enforcement Decree*.
- ② KoFIU shall perform its competent duties independently, and its public officials shall not engage in any duty other than the duties under this *Act* or the *Prohibition of Financing for Offences of Public Intimidation Act*. <Amended Dec. 21, 2007>
- ③ Necessary matters related to the number of personnel, organizational structure, and administration of KoFIU shall be determined by the *Presidential Enforcement Decree* taking into consideration the independence and political neutrality of tasks.
- ④ The Commissioner of KoFIU (herein the “Commissioner”) shall report annually to the National Assembly on the following matters with respect to fulfillment of duties under Paragraph 1, to a regular session of the National Assembly:

1. Number of reports filed by reporting entities pursuant to Article 4;
2. Number of cases where specific financial transaction information was disseminated to law enforcement agencies pursuant to Article 7;
3. Number of information exchanges with foreign FIUs pursuant to Article 8; and
4. Other statistical data related to the operation of KoFIU.

Article 4 (Suspicious Transaction Reports)

- ① A reporting entity shall report without delay, as prescribed by the Presidential Enforcement Decree, to the Commissioner if any of the following is the case: <Amended Dec. 21, 2007>
 1. If it has a reasonable ground to suspect that the fund that they received in relation to a financial transaction is an illegal asset or that the customer is engaged in money laundering or financing for offences of public intimidation and the amount involved in the transaction equals or exceeds the threshold prescribed in the *Presidential Enforcement Decree*;
 2. If it has a reasonable ground to suspect that the customer is making financial transactions divided into smaller amounts to evade the provision in Paragraph 1 above and the total amount of such related transactions equals or exceeds the thresholds prescribed in the *Presidential Enforcement Decree*; or
 3. If it has filed a report to the competent law enforcement agency pursuant to Article 5 Paragraph 1 of the *POCA* or Article 5 Paragraph ② of the *Prohibition of Financing for Offence of Public Intimidation Act.*.
- ② A reporting entity may file a report to the Commissioner when it has a reasonable ground to suspect that the fund that it received in relation to a financial transaction is an illegal asset or that the customer is engaged in money laundering or financing for offences of public intimidation even if the amount of transaction is less than the threshold referred to in Paragraph 1 Subparagraph 1 above or the threshold for the total amount of related transactions referred to in Paragraph 1 Subparagraph 2. <Amended Dec. 21, 2007>
- ③ A reporting entity shall clearly state the ground for the suspicion when filing a report pursuant to Paragraph 1 or 2.
- ④ A reporting entity shall keep the following records with regards to a report that it files pursuant to Paragraph 1 or 2 above for five years starting from the date of such filing in accordance with the provisions in the *Presidential Enforcement Decree*:

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1. Customer identification information that includes the real name of the customer;
 2. Records of the financial transaction for which the report was filed in accordance with Paragraph 1 or 2; and
 3. Documentation of the ground for suspicion.
- ⑤ Where the Commissioner The Commissioner may view or make photocopies of the records that a reporting entity keeps pursuant to Paragraph 4 only when required to analyze whether a report filed meets the description of a financial transaction referred to in ① or ② above.
- ⑥ No employee of a reporting entity shall divulge to any other person including the counterparty of the transaction about which a report has been filed or will be filed pursuant to Paragraph ① or ② above the fact that a report has been or will be filed. Provided, that this does not apply when any of the following is the case: <Amended Dec. 21, 2007>
1. sharing of information within the reporting entity is necessary to prevent money laundering or financing for offences of public intimidation; and
 2. submitting a report equivalent to a report prescribed in Paragraph ① or ② above to a foreign government agency that is responsible for operations specified in each of the subparagraphs of Article 3 Paragraph ① (“foreign FIU” hereinafter) in accordance with a law and subordinate statutes of such foreign country
- ⑦ A reporting entity filing a report pursuant to ① or ② above (including employees thereof) shall have no liability to pay for damages to the customer who is the subject of such report or related persons thereof except if it files a false report by intention or gross negligence. <Dec. 21, 2007>

Article 4-2 (Currency Transaction Reports)

- ① A reporting entity shall report to the Commissioner any payment or receipt of cash (except foreign currencies) or means of payment similar to cash as are prescribed in the *Presidential Enforcement Decree* in the amount or in excess of the threshold prescribed in the *Presidential Enforcement Decree* within the maximum limit of KRW 50 million within thirty(30) days of handling such payment or receipt. The following, however, are exceptions to the foregoing provision:

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1. Payment or receipt of cash or similar means of payment with a reporting entity(except those prescribed in the *Presidential Enforcement Decree*);
 2. Payment or receipt of cash or similar means of payment between a reporting entity and central governments, local governments, or other government agencies prescribed in the *Presidential Enforcement Decree*;
 3. Such routine payment or receipt of cash or similar means of payment that pose low risk of money laundering as are specified in the *Presidential Enforcement Decree*
- ② A reporting entity shall report to the Commissioner if it has a reasonable ground that a customer is making financial transactions divided into smaller amounts with the intention of evading the provision in ① above.
- ③ The Commissioner may designate and operate the following agencies as intermediary agencies in relation to currency transaction reports (hereinafter “intermediary agencies”): <Amended Feb. 29, 2008>
1. The Korea Federation of Banks established with the licensed from the Financial Services Commission in accordance with Article 32 of the *Civil Act*;
 2. The Korean Financial Investment Association established under the Article 283 of the *Act on the Capital Market and Financial Investment Services*;
 3. Korea Federation of Savings Bank set up in accordance with the Article 25 of the *Mutual Savings Banks Act*.
- ④ Specific matters related to the method of report by a reporting entity pursuant to ① and ② and designation and operation of intermediary agencies pursuant to ③ above shall be prescribed in the *Presidential Enforcement Decree*. <Inserted Dec. 21, 2007>

Article 5 (Designation of Reporting Officer)

Reporting entities (except the entities prescribed by the *Presidential Enforcement Decree*) shall take the following measures to facilitate their report pursuant to Article 4 Paragraphs 1 and 2, and Article 4-2 and to effectively prevent money laundering and financing for offences of public intimidation: <Amended Dec. 21, 2007>

1. Designation of persons responsible for the report stipulated in Article 4①, ② and Article 4-2 and establishment of an internal reporting system;

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2. Establishment and implementation of internal guidelines for prevention of money laundering and financing for offences of public intimidation; and
3. Training and education of employees regarding prevention of money laundering and financing for offences of public intimidation.

Article 5-2 (Customer Due Diligence)

- ① Reporting entities other than those specified in the *Presidential Enforcement Decree* shall take the following measures to prevent money laundering and financing for offences of public intimidation using financial transactions. In implementing such measures, a reporting entity shall establish and apply internal guidelines: <Amended Dec. 21, 2007>
 1. Verifying the customer identification information as prescribed by the *Presidential Enforcement Decree* when the customer opens a new account or when the customer makes an occasional financial transaction in the amount or in excess of the threshold prescribed in the *Presidential Enforcement Decree*
 2. Verifying as to whether the customer is the beneficial owner and obtaining information regarding the purpose of the transaction when it is suspected that the customer is engaged in money laundering or financing for offences of public intimidation
- ② The internal guidelines referred to in Paragraph ① shall include details regarding contents, procedures, and methods of adequate measures designed to prevent money laundering and financing for offences of public intimidation according to types of customers or types of financial transactions. <Amended Dec. 21, 2007>
- ③ Specific matters regarding the customer due diligence measures referred to in Paragraph ① such as the types of financial transaction/customers subject to such measures, specific criteria, procedure, methods of such measures, and other necessary matters shall be prescribed in the *Presidential Enforcement Decree*. <Inserted Dec. 21, 2007>

Article 6 (Foreign Exchange Transaction Records)

- ① The Governor of the Bank of Korea, the commissioners of customs services, and other persons specified in the *Presidential Enforcement Decree* shall provide to the Commissioner records related to the approvals given or reports filed in accordance with

Article 17 of the *Foreign Exchange Transactions Act* and records related to the reports prescribed in Article 21 of this *Act*. <Amended Dec. 21, 2007>

- ② Matters related to the scope of data sent to the Commissioner of KoFIU pursuant to ① above and the procedure for the provision of such data shall be prescribed in the *Presidential Decree*.

Article 7 (Dissemination of Information to Law Enforcement Agencies)

- ① The Commissioner shall provide the following information (hereinafter referred to as “specific financial transaction information”) to the Prosecutor General, the Commissioner of the National Tax Service, The Commissioner of the Korea Customs Service, the National Election Commission, or the Financial Services Commission when it is deemed necessary for investigation of criminal cases involving illegal assets, money laundering, or financing for offences of public intimidation, investigation into violation of laws or regulations regarding tax, customs duties, or political funds, or for supervision of the financial sector (hereinafter referred to as “investigation of specified offences”): <Amended Feb. 29, 2008>

1. Information reported by reporting entities in accordance with Article 4 Paragraph ① or ②;
2. Information provided by foreign FIUs in accordance with Article 8 Paragraph ①; and
3. Information generated as a result of compilation or analysis of information referred to in Paragraph ① or ② above or in Article 4-2 or Article 6.

- ② The Commissioner shall provide to the Commissioner of the National Police Agency financial transaction information determined by the *Presidential Enforcement Decree* when it is deemed necessary for investigation of criminal cases involving illegal assets, money laundering or financing for offences of public intimidation. <Amended Dec. 21, 2007>

- ③ Deleted <Jan. 17, 2005>

- ④ The Prosecutor General, the Commissioner of the National Police Agency, the Commissioner of the National Tax Service, the Commissioner of the National Customs Service, the National Election Commission, and the Financial Services Commission (hereinafter “law enforcement and regulatory agencies”) can request that the Commissioner of KoFIU provide information specified in Paragraph ① Subparagraph 3 above when it is deemed necessary for investigation of specified offences in

accordance with the provisions in the *Presidential Enforcement Decree*. <Amended Feb. 29, 2008>

- ⑤ The information request referred to in Paragraph ④ above shall be made in a written form stating the information below:
 1. Personal information of the subject;
 2. The intended use of the information; and
 3. Contents of the information requested
- ⑥ No employee of KoFIU shall provide information when the information request is made not in conformity with the provisions in Paragraph ⑤ above.
- ⑦ When providing information in accordance with Paragraphs ① through ④ above, the Commissioner of KoFIU shall keep record of the names of the KoFIU employees who were engaged in the analysis of the information, the content of the information provided, and the reason for providing the information for five years starting from the date such information is provided in accordance with the provisions in the *Presidential Enforcement Decree*.

Article 8 (Exchange of Information with foreign FIUs)

- ① The Commissioner may exchange specific financial transaction information with foreign FIU based on the principle of reciprocity when it is deemed necessary for achievement of the objectives of this *Act*. <Amended Dec. 21, 2007>
- ② The Commissioner may provide specific financial transaction information to a foreign FIU in accordance with Paragraph ① above provided that the following conditions are met:
 1. Specific financial transaction information provided by KoFIU to a foreign FIU shall not be used for any purpose other than those for which such information is sought and provided;
 2. The fact that such information was provided shall be kept confidential; and
 3. Specific financial transaction information provided to a foreign FIU shall not be used in any investigation or court proceeding of criminal cases without prior consent of the Commissioner.

- ③ When requested by a foreign authority, the Commissioner may consent to use of specific financial transaction information provided to a foreign FIU in accordance with Paragraph ① above in an investigation or court proceeding of a criminal case related to the provided information on the condition that there is consent of the Minister of Justice.

Article 9 (Confidentiality of Financial Transaction Information)

- ① The staff of the KoFIU, employees of intermediary agencies, and persons engaged in investigation of specified offences related to the financial transaction information provided in accordance with Article 7 of this *Act* shall keep confidential all information that he/she obtains in the course of performing his/her duties and the information received in accordance with Article 10 of this *Act* and shall not use such information for any purpose other than those for which such information was provided. No one shall request that an employee of the KoFIU, employees of intermediary agencies, or any person involved in investigation of specified offences to disclose specific financial transaction information or information provided in accordance with Article 10 of this *Act* or to use such information for any purpose other than those for which such information was provided. <Amended Dec. 21, 2007>
- ② Specific financial transaction information disseminated pursuant to Article 7 cannot be used as evidence in any court proceedings.
- ③ An employee of a reporting entity engaged in filing of a report referred to in Article 4 Paragraph ① or ② may refuse to testify in a trial related to the aforementioned report, except in trials under Article 13 or 14. This provision, however, shall not apply in case where such testimony is required for public interest.

Article 10 (Request for Records)

- ① The Commissioner of KoFIU may request the head of a relevant government authority to provide administrative records(except financial transaction information) specified in the *Presidential Enforcement Decree* when such information is deemed necessary for analysis of specific financial transaction information (for the purpose of this Article, “specific financial transaction information” shall not include information referred to in Article 7 Paragraph ① Subparagraph 3) and information received in accordance with Article 4-2 or Article 6. <Amended Dec. 21, 2007>
- ② Subject to the provisions in the *Presidential Enforcement Decree*, the Commissioner of KoFIU may request the head of a credit information provider designated under Article 25 of the *Use and Protection of Credit Information Act* to provide credit

information(except financial transaction information) when such information is deemed necessary for analysis of specific financial transaction information. Such request shall be made in a written form stating the intended use of such information. <Amended Apr. 1, 2009>

- ③ In analyzing specific financial transaction information, the Commissioner of KoFIU may make request for information or records on financial transactions using foreign exchange transactions in accordance with the *Foreign Exchange Transactions Act* to the heads of reporting entities provided that the financial transaction information meets the description of financial information set forth in Article 4 ① or ②. Such information request shall be made in a written form stating the following information: <Amended Dec. 21, 2007>
1. Personal information of the customer;
 2. Intended use of the requested information; and
 3. Contents of requested information or records.
- ④ The request for information or records referred to in Paragraphs ① through ③ above shall be limited to the minimum necessary.

Article 11 (Supervision and Examination of Reporting Entities)

- ① The Commissioner may supervise reporting entities' operations under Articles 4, 4-2, 5, and 5-2 of this *Act*, issue orders or directives required for such supervision, and have his/her staff conduct examinations of reporting entities. <Amended Jan.17, 2005>
- ② When a violation of this *Act* or orders/directives issued under this *Act* is detected as a result of an examination referred to in Paragraph ① above, the Commissioner may take necessary measures such as issue of correction order or demand of discipline of persons involved.
- ③ The Commissioner of Korea Financial Intelligence Unit may entrust the Governor of the Bank of Korea, the Governor of Financial Supervisory Service under the Act on the Establishment, etc. of Financial Services Commission or others prescribed by Presidential Decree, and have their employees carry out examination pursuant to paragraph (1) and implement measures pursuant to paragraph (2), as prescribed by the *Presidential Enforcement Decree*. <Amended Feb. 29, 2008>
- ④ Any person conducting examination in accordance with Paragraph ① or ③ above shall carry certificates indicating such authority and shall present them to the relevant persons.

Article 12 (Relation to Other Laws)

- ① Provisions in Articles 4, 4-2, Articles 6 through 8, and Article 10 shall take priority over Article 4 of *the Act on Real Name Financial Transactions and Guarantee of Secrecy*, Articles 32 and 42 of *the Use and Protection of Credit Information Act*, and Article 22 of *the Foreign Exchange Transactions Act*. <Amended Apr. 1, 2009>
- ② Article 35 of *the Use and Protection of Credit Information Act* shall not apply to the information provided by financial institutions and intermediate agencies in accordance with this Act.

Article 13 (Penal Provisions)

Any person who falls under any of the following shall be subject to imprisonment for a period not exceeding five years or a fine in an amount not exceeding 30 million won:

1. Any person who, by abusing his/her official authority, accesses and/or makes photocopies of records kept by a reporting entity or requests the head of a reporting entity to provide such records when conditions under Article 4 Paragraph ⑤ or Article 10 Paragraph ③ are not met.
2. Any person who, in violation of Article 9 Paragraph ①, discloses specific financial transaction information obtained in the course of performing his/her duty or information or records received in accordance with Article 10, or use such information for any purpose other than those for which such information was provided, or any person, in violation of Article 9 Paragraph ①, requests provision of specific financial transaction information or information provided to KoFIU under Article 10 or requests to use them for any purpose other than those for which such information was provided.

Article 14 (Penal Provisions)

Any person who falls under any of the followings shall be subject to imprisonment for a period not exceeding 1 year or a fine in an amount not exceeding 5 million won: <Jan. 17, 2005>

1. Any person who makes a false report in relation to the reporting obligation under Article 4 Paragraphs ① and ②, Article 4-2 Paragraphs ① and ② <Amended Jan.17, 2005>; and
2. Any person who violates the provisions under Article 4 Paragraph ⑥.

Article 15 (Dual Imposition of Imprisonment and Fine)

A person who commits an offence referred to in Article 13 or 14 may be punished by both imprisonment and a fine.

Article 16 (Joint Penal Provision)

When a representative of a legal entity, an agent of a legal entity or an individual, or an employee of a legal entity commits an act of violation referred to in Article 14 in conjunction with the business of the legal entity or individual, not only shall the offender himself be punished, but also the said legal entity or individual shall be subject to the fine prescribed in the said Article. Provided, That the same shall not apply to cases where the said legal entity or individual has not neglected the due attention and supervision regarding the relevant business in order to prevent such offence.

Article 17 (Administrative Fine)

- ① A person who falls under any of the following shall be subject to a fine in an amount not exceeding 10 million won: <Amended Dec. 21, 2007>
 1. Any person who fails to fulfill his/her obligation to file reports under Article 4 Paragraph ① Subparagraph 1 or 2 or Article 4-2 Paragraph ① or ② <Amended Jan.17, 2005>;
 2. Any person who refuses to comply with an order, a directive, or an examination referred to in Article 11 Paragraphs ① through ③, or anyone who rejects, obstructs or evades such order, directive, or examination;
 3. Deleted <Jan. 17, 2005>
- ② Administrative fines under Paragraph ① Subparagraph 1 or 2 shall be charged and collected by the Commissioner as prescribed by the *Presidential Enforcement Decree*.
- ③ Any person who refuses to comply with fines imposed in accordance with Paragraph ② above may appeal to the Commissioner within 30 days of the notification of such penalty.
- ④ When a person appeals in accordance with Paragraph ③ above with regards to an administrative fine imposed in accordance with ②, the Commissioner shall, without delay, notify the competent court of such fact. Upon receiving such a notice, the competent court shall try the case in accordance with the *Non-Contentious Case Litigation Procedure Act*. <Amended Dec. 21, 2007>
- ⑤ If neither an appeal is filed nor is the administrative fine paid within the prescribed period of time referred to in Paragraph ③ above, then the administrative fine shall be collected in accordance with examples of collection of national taxes in arrear.

Addenda <September 27, 2001>

① (Effective Date)

This *Act* shall take effect two months after the promulgation.

② (Scope of Information Request by the Commissioner)

The scope of the information or records that the Commissioner may request from the head of a reporting entity in accordance with Article 10 Paragraph ③ Subparagraph 3 shall be limited to information or records of financial transactions conducted after this *Act* comes into effect.

③ (Amendment of Other Acts)

The *Political Fund Act* shall be amended as follows:

The following Article 24-4 shall be added.

Article 24-4. (Investigation of Specific Financial Transaction Information)

- ① The competent election commission shall be responsible for investigation of specific financial transaction information provided to the National Election Commission pursuant to Article 7 Paragraph ③ of the *Financial Transaction Reports Act*.
- ② When carrying out an investigation pursuant to Paragraph ①, the competent election commissions may request relevant political parties, their supporters' associations, and other relevant persons to submit explanatory materials.
- ③ For matters related to investigation and submission of explanatory materials in accordance with ① or ②, the procedure for filing of appeals described in Article 24-2 shall be applied *mutatis mutandis*.

Addenda (the Fisheries Cooperatives Act); <December 31, 2004>

Article 1 (Effective date)

This *Act* shall take effect after six months from the date of its promulgation.

Articles 2 through 14 Omitted

Article 15 (Amendment of Other Acts)

①, ⑫ shall be Omitted

⑬ *The Financial Transaction Reports Act* shall be amended as follows.

“Fisheries cooperatives” In the Article 2 ① f shall be replaced by “Cooperatives”.

Article 16 Omitted

Addenda <January 17, 2005>

(1) (Effective Date)

This *Act* shall come into effect on the day it is promulgated with the exception of Articles 4-2 and 5-2, which shall come into effect one year after the date of the promulgation.

(2) (Application of Provisions Regarding Currency Transaction Report)

Provisions in Article 4-2 shall be applied starting with the first cash receipt/payment after this *Act* comes into effect.

(3) (Amendment of Other Acts)

The *Political Fund Act* shall be amended as follows:

Article 24-4 shall be deleted.

Unofficial Translation

In Article 32 Paragraph ②, “Article 24-2 (Access to Information on Assets, Income, and Expenditure and Provision of Photocopies) Paragraph ⑤ [Including mutatis mutandis application of Article 24-4 (Investigation of Specific Financial Transaction Information) Paragraph ③]” shall be replaced by “Article 24-2 (Access to Information on Assets, Income, and Expenditure and Provision of Photocopies) Paragraph ⑤”.

Addenda (*the Act on Capital Market and Financial Investment Services*) <August 3, 2007>

Article 1 (Effective Date)

This *Act* shall take effect after one year and six months from the date of its promulgation.

Article 2 through 41 Omitted

Article 42 (Amendment of Other Acts) ① to <54> shall be omitted.

<55> The Financial Transaction Reports Act shall be amended as follows.

Article 2 ① c shall be amended as follows, and i, j, m shall be deleted.

Investment trading companies, investment brokerage companies, collective investment companies, trust companies, securities finance companies, merchant banks and institutions providing book entry services governed by *the Capital Market and Financial Investment Business Act*;

<56> through <67> Omitted

Articles 43 and 44 Omitted.

Addenda <December 21, 2007>

Article 1 (Effective Date)

This *Act* shall come into effect on the day it is promulgated with the exception of Articles 1, Article 2 ① n, ② c, ③ c, ⑤, Article 3 Paragraph 1 ④, ⑤, Paragraph 2, Article 4 Paragraph 1, 2, 6 ① (part related with financing of public intimidation), Article 4-2 Paragraph 1 ①, Paragraph 3, 4, Article 5, 5-2, Article 7 ①, ②, Article 9

① and Article 12 ② (part related with an intermediate agency), which shall come into effect one year after the date of the promulgation.

Article 2 (Application of Money Laundering Activities)

Provisions in Article 2 ④ c shall be applied starting with the first money laundering activity after the *Act* takes effect.

Article 3 (Interim Measures on Administrative Fine)

Administrative Fine shall be imposed on acts that occurred before the enforcement of *the Act* in accordance with previous provisions.

Article 4 (Interim Measures on *the Capital Market and Financial Investment Business Act*)

① The transactions in the derivatives market pursuant to Article 2 ② b is regarded as the futures transactions stipulated in Article 3 ①, ② of the *Futures Trading Act* before Feb. 4, 2009.

② Korea Financial Investment Association pursuant to Article 4-2 Paragraph 3 ② is regarded as Korea Securities Dealers Association established in accordance with Article 162 of the *Securities Trading Act* before Feb. 4, 2009.

Addenda (Act on Establishment of Financial Supervisory Organizations) <February 29, 2008>

Article 1 (Effective Date) This Act shall come into effect on the day it is promulgated.

Articles 2 through 4 Omitted

Article 5 (Amendment of Other Acts) ① through <57> Omitted

<58> Financial Transaction Reports Act shall be partially amended as follows;

‘Decree of the Minister of Finance and Economy’ in Article 2 Paragraph 2 Subparagraph a shall be amended to ‘Decree of the Prime Minister’.

‘Minister of Finance and Economy’ in Article 3 Paragraph 1 shall be amended to ‘Financial Services Commission’.

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‘Minister of Finance and Economy’ in Article 4-2 Paragraph 3 Subparagraph 1 shall be amended to ‘Financial Services Commission’.

‘Financial Supervisory Committee’ in Article 7 Paragraphs 1 and 4 shall be amended to ‘Financial Services Commission’.

‘Act on Establishment of Financial Supervisory Organizations’ in Article 11 Paragraph 3 shall be amended to ‘Act on Establishment of Financial Services Commission’.

<59> through <85> Omitted

Addenda (Use and Protection of Credit Information Act) <April 1, 2009>

Article 1 (Effective Date) This Act shall enter into force six months after the date of its promulgation.

Articles 2 through 11 Omitted

Article 12 (Amendment of Other Acts) (1) through (20) Omitted

Part of the *Financial Transaction Reports Act* shall be amended as follows:

“Article 17 of the *Use and Protection of Credit Information Act*” in Article 10 Paragraph ② shall be amended to “Article 25 of the *Use and Protection of Credit Information Act*”.

“Articles 23 and 27 of the *Use and Protection of Credit Information Act*” in Article 12 Paragraph ① shall be amended to “Articles 32 and 42 of the *Use and Protection of Credit Information Act*” and “Article 24-2 of the *Use and Protection of Credit Information Act*” in Paragraph ② of the same Article shall be amended to “Article 35 of the *Use and Protection of Credit Information Act*”.

(22) through (24) Omitted

Article 13 Omitted

Addenda (Use and Protection of Credit Information Act) <January 1, 2010>

Article 1 (Effective Date) This Act shall enter into force on the date of its promulgation.

Articles 2 and 3 Omitted

Article 4 (Amendment of Other Acts) ① Omitted

② Part of the Financial Transaction Reports Act shall be amended as follows :

“Article 9 of the Punishment of the Tax Evaders Act” shall be amended to “Article 3 of the Tax Evaders Act”.

③ Omitted

Article 5 Omitted

Addendum <February 4, 2010>

This Act shall enter into force on the date of its promulgated.

Addenda <May 17, 2010>

Article 1 (Effective Date) This Act shall enter into force six months after the date of its promulgation.

Articles 2 through 8 Omitted

Article 9 (Amendment of Other Acts) (1) through (75) Omitted

(76) Part of the Financial Transaction Reports Act shall be amended as follows :

“Financial institutions” in Article 2 Paragraph 1 shall be amended to “banks”

(77) through (86) Omitted

Article 10 Omitted