行政院及所屬各機關出國報告
(出國類別：考察)

南韓經濟金融改革執行情形考察報告

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前言

1997 年亞洲金融危機，重創該國之金融體系，爆發外匯型及金融體系金融危機。為因應此一危機，韓國除向國際貨幣基金（IMF）、世界銀行（WB）、亞洲開發銀行（ADB）等緊急紓困 583.5 億美元外，並積極進行金融改革、企業改革、勞動改革及公共改革等四大改革。近五年來，韓國政府積極落實經濟金融改革，成效卓著，企業及金融體質大幅改善，經濟穩定成長，頗獲國際稱讚，其改革決心與作法，值得我國借鏡。其中有關金融改革方面，韓國係以政府編列預算挹注公共資金方式積極進行金融改革，一方面採行關閉合併經營不善之金融機構措施，另一方面則藉由收購金融機構之不良金融資產，以協助恢復整體金融體系貸放業務的正常運作。韓國為執行金融重整計畫，特別設置金融部門存款保險基金(Deposit Insurance Fund 以下簡稱 DIF 基金)及不良放款管理基金(Non-Performing Loan Management Fund，簡稱 NPA 管理基金)，分別委由 KDIC 及 KAMCO 運用，其中 KDIC 係負責處理問題金融機構接管以及後續金融重整資金之挹注；而 KAMCO 則專門負責收購及管理健全與問題金融機構之不良金融資產。韓國政府進行重整之金融機構係以資本適足率低於百分之八者為對象，其處理運作之模式共分收歸國有、合併以及購買與承受交易後予以終止營業等三種方式。截至 2001 年底，計有 12 家銀行合併及 5 家銀行(經購買與承受交易後)終止營業，使韓國全體銀行之家數自 1997 年 12 月底之 33 家減至 2001 年 12 月底之 17 家；至同期間之金融機構(包括證券公司、保險公司及投資銀行等)家數則由 2,102 家減至 1, 545 家。KDIC 於此一重整程序中所提供公共資金之支助包括股權投資、資金挹注以及保險賠付，而 KAMCO 則收購重整金融

機構所移轉出之不良資產。在韓國政府積極有效之金融重整下，金融體系之穩定及支付能力迅速恢復，整體金融機構不良債權(本金利息延滯逾三個月以上)比率，由 1999 年底 11.3%降低至 2001 年底之 4.9%。

行政院金融重建基金設置及管理條例之修正案，即參考韓國金融改革之方向修正而成，本次行程係就韓國於執行金融改革各項措施之相關細節或疑問，蒐集更進一步之資料並拜會改革相關單位。本報告計分為七章，第一章為韓國經濟金融改革與執行成果簡介，第二章為韓國公共資金之監督與管理，第三章為 KAMCO 收購不良債權實務，第四章為 KDIC 對問題金融機構處理方式，第五章為韓國企業改革實施情形，第六章為韓國成功經驗與其他金融危機國家與我國之比較，並參考本次考察經驗，就金融重建基金設置及管理條例之修正草案，試擬立法通過後之執行計畫。第七章為心得與建議。

本次考察期間，承韓國存保公司(KDIC)李董事長熱心接待及安排拜會韓國金融監督院(FSS)吳副院長及韓國資產管理公司(KAMCO)崔本部長等官員，並承外交部亞太司及駐韓國台北代表部官員協助，使考察行程順利圓滿，謹此致上最高之謝忱。此外，藉由本次考察，使本公司與KDIC達成未來雙方進行合作之初步共識，目前並正就簽署合作備忘錄事宜進行討論；另KAMCO亦慨允提供該公司處理不良資產經驗供我國參考，並於九十一年十月應本公司邀請派員來台就該國不良資產處理經驗進行專題演講，均屬本次考察之額外收獲，並為我國金融改革及存保制度與國外同步，以及強化國際合作交流奠定良好基礎。

第一章　韓國經濟金融改革與執行成果簡介

1997年底，韓國爆發外匯及銀行體系金融危機，國家面臨倒閉之秋，韓國除向國際貨幣基金（IMF）、世界銀行（WB）、亞洲開發銀行（ADB）等緊急紓困583.5億美元外，並積極進行金融改革、企業改革、勞動改革及公共改革等四大改革。近五年來，韓國政府積極落實經濟金融改革，成效卓著，經濟穩健成長，金融體質大幅改善，頗獲國際稱讚，其改革決心與作法，值得我國借鏡。

本章將就韓國爆發金融危機原因分析、危機始末、金融改革主要內容、改革成效、改革後經濟金融新風貌，以及改革後其他待決問題作一簡單介紹。

壹、韓國爆發金融危機原因分析

一、短期國外借款遽增

1993年韓國放寬銀行得向國外金融同業借入資金，但中長期資金流入仍限制。1997年9月，韓國短期外債由1993年之400億美元遽增至980億美元，主要是由銀行借入並貸放給國內企業(OECD在1996年底同意韓國成為會員國，各國對韓國債權之風險權數由原來的100%降為20%，為韓國國外金融同業借款遽增之導火線)。韓國外匯準備占短期外債之比率由42%降至29%，外資淨流入上升至GDP之5%-6%；短期資產占短期負債比率，國內商業銀行僅55%，綜合金融公司僅25%。而強勁的經濟成長率使資金供給者與需求者均漠視上述銀行體系潛藏的流動性風險與匯率貶值風險。

二、脆弱的金融體系

㈠金融機構缺乏風險管理意識

韓國在1990年以前，銀行放款政策多由政府主導，信用資源配置遭到扭曲。自1990年起推動自由化後，放款及外資流入快速成長，放款年成長率高達20%，惟政府仍透過主導銀行經營及大型公營金融機構貸款給財團。因政府多年來主導放款政策，使銀行普遍缺乏管理風險及授信品質的誘因，授信評估多側重擔保品徵提及關係企業相互保證，而非借戶之還款能力。

韓國於1994年至1996年間，銀行體系授信增加34%，但在危機爆發之 1997 年並未大幅增加，是因為韓國政府發布大額放款上限規定，以防範大財團(chaebols)繼續向銀行借款，該等大財團之負債比率已超過合理水準，但此項規定，並無法防堵大財團繼續向外舉債，他們轉向非銀行部門借款，包括綜合金融公司 (票券業)、工業銀行、保險公司、投資信託公司及信合社等，而銀行亦透過其他方式，如為大財團發行之公司債提供保證，繼續對大財團增加暴險。1997 年底，大財團發行之公司債有90%是由商業銀行保證，五大財團負債金額即占全體企業負債之 50%，其負債金額約為淨值之五倍，整體企業負債金額約為五千億美元或國民生產毛額之 150%，其中50%之債務，即是由商業銀行提供。而這些以高槓桿積極擴充業務之大財團，大部分財務指標，如淨值報酬率、純益等都因高槓桿操作而急速惡化。

銀行放款得以快速增加的另一原因是肇因於韓國在金融危機爆發前，政府解除對資本帳的管制，使銀行得以自國外取得貸放資金，而這些資金大部分是短期性資金，但因金融監理未嚴格規範及銀行普遍缺乏風險管理理念，致銀行多將該等短期性資金供作中長期放款之用，

使大部分銀行資負債呈現嚴重到期日失衡狀況。1997 年底，韓國銀行短期性資產占短期性負債之比率僅達 55%。

㈡金融監理鬆弛

而在金融管理方面，韓國對銀行放款分類標準及呆帳提撥規定較OECD其會員國寬鬆、會計及資訊揭露準則低於國際標準，亦未實施市價會計，在加上資本市場透明度不足，使公司治理及市場監督機制無法正常運作。在金融監理體制方面，其金融監理亦為多頭馬車，致對銀行及非銀行監理標準不一，造成非銀行對銀行之惡性競爭，不利銀行之健全經營。

三、仰賴高度財務槓桿之企業體系

由於多年來韓國政府主導放款政策及援救經營發生困難之大財團，造成大財團過度承擔風險及過度投資。許多大財團在1993年至1996年間，發動一連串擴充性投資計劃，以爭取市場占有率，但因投資不當而發生虧損。尤其大財團多仰賴短期借款(60%)來支應投資需求，企業借款為德國、美國、日本企業之三倍，1996-1997年間，企業借款占淨值平均比率由原300%上升至400%，為OECD會員國平均比率之兩倍，前30大財團之上開比率，更由原387%上升至518%，企業獲利自1995年開始下降，1997年轉為虧損。此外，韓國企業交叉持股及交叉保證之情形極為嚴重，前30大財團1997年4月底相互保證債務累計達70兆韓圜，相當於企業集團資本總額 91%。

四、韓國金融危機之引爆

㈠1994-1996年間，韓國外在經濟條件轉變，石油漲價、半導體價格滑落、韓圜貶值，韓國經濟成長趨緩，股票市場由1994年11月最高峰開始下滑，至1996年底滑落達四

成，銀行股價下跌46%，跌幅大於大盤，資本市場似已先行預知金融體系及企業體系潛在之危機。

㈡1997年1月起，數家大財團先爆發財務危機，許多中小企業亦相繼破產，銀行資產品質惡化，引發各界對銀行體系健全性之疑慮。

㈢由於對銀行不良放款之真實數據無法掌握及企業獲利繼續下降，股票市場持續下跌，1997年7月，多家銀行未來展望評等被信評機構評為負面。

㈣ 1997 年 7 月泰銖大幅貶值，引發外資對同地區經濟體看法轉為悲觀，國外銀行開始降低對韓國金融機構的暴險金額，並開始收回短期融通資金融通部位。

㈤ 1997 年 8 月韓國政府宣布對其金融機構國外借款提供十足保證，穩定國際信心。

㈥但 1997 年 10 月中旬起同地區之台灣中央銀行棄守其匯率、香港股市大跌波及美國歐洲股市，使國際投資人對韓國狀況更趨悲觀。

㈦1997年10月24日，標準普爾對韓國評等由AA-降為 A+，並指出韓國政府金融體系潛在的問題及其政府已有緊急援助韓國第一銀行及KIA大財團之實際個案。

㈧市場信心開始瓦解，引發資金外流、國外金融同業迅速抽離融通資金，韓國人民亦將資金轉存外幣存款。

㈨1997年11月，韓國正式面臨雙重危機－銀行體系危機及外匯危機，韓國政府未能及時公布正確及透明的資訊，使各界對其政府處理危機之能力不具信心，危機的嚴重性再度被誇大。

㈩韓國政府遲至11月21日始向 IMF提出救援，包括IMF、ADB、WB及其他政府，總計提供韓國580億美元之金援

承諾，惟因該金額仍低於各界預估韓國外債金額1000億美元，危機仍繼續惡化。

㈦1997年12 月24日韓國政府提出全面周延的經濟金融重建計劃，在IMF的支持及提供完整資訊下，各主要債權銀行政府也說服了債權銀行同意對韓國各銀行之債權展期，並達成在一週內維持原融通額度之暫時性協議，穩住了流動性危機及外匯危機。

㈧1998年1月底，韓圜開始止跌回升，第1季止，國際收支帳轉為順差（因進口減少、國人捐贈黃金及韓僑匯入資金）。

㈨1998年中，利率回復至危機前水準，8月初，蘇俄引發之新興市場金融危機，也沒有影響韓國已恢復穩定之金融市場。

貳、韓國經濟金融改革法制及組織架構

一、韓國進行全面改革架構

為獲IMF提供金援及諮詢協助，接受符合國際標準之改革條件，全國上下一心、不分黨派，並投入公共資金，針對金融改革、企業改革、勞動改革及公共改革等四項同步進行，相關改革內容茲摘述如下：

㈠法制調整架構

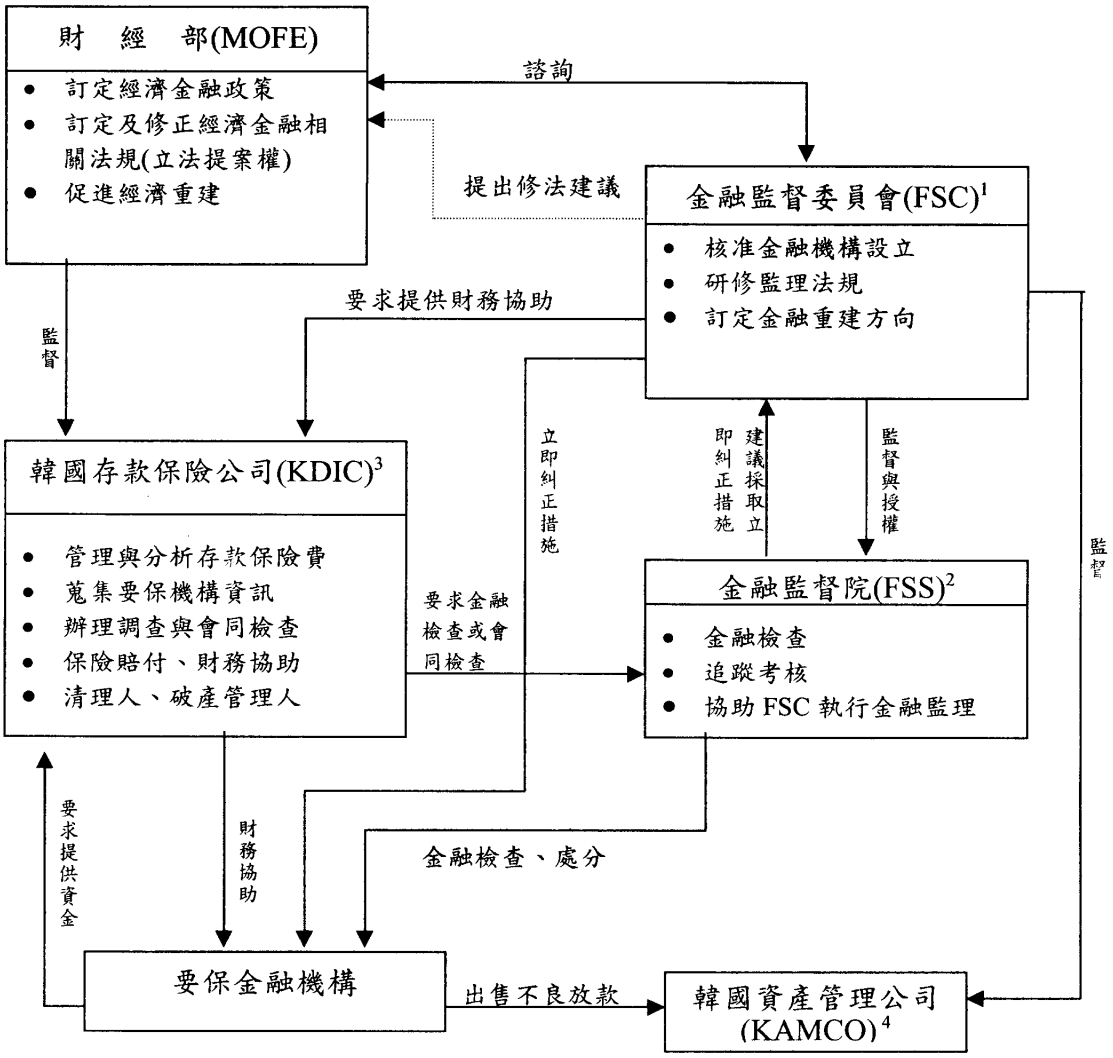
為配合相關改革，全面增修相關法規：

1 金融改革方面：包括商法、金融業結構改革法、金融控股公司法、有效處理金融機構不良資產及設立KAMCO法、存款人保護法、資產證券化法、住宅抵押證券化法、房地產投資信託法外匯交易法、外匯交易法、外國人投資促進法。

2 企業改革：企業結構調整促進法(簡稱企促法)、合併破產三法(破產法、公司整理法及和議法)、企業重整專業

公司法(簡稱 CRC 法)、企業重整投資公司法(簡稱 CRV 法)。

附圖一　南韓各金融主管機關之關係與業務分工



註 1：FSC 隸屬國務總理室(Office of the Prime Minister)，計有九名委員，皆由總統任命，其成員為：主任委員及副主任委員各一人、常駐委員一人、非常駐委員六人(包括財經部副部長、中央銀行副總裁、韓國存款保險公司總經理、財經部指派之會計專家一人、司法部指派之法律專家一人、工商總會理事長指派之業界代表一人)。

註 2：FSS 為特殊目的之非營利公營機構，其局長(Governor)由 FSC 主任委員兼任，其員工皆為公職人員。

註 3：KDIC 依法受財經部監督，由九名委員組成政策委員會，包括(1) KDIC 主席(政策委員會主席)、(2)財經部副部長、(3)主計處副主計長、(4)金融監督委員會副主委、(5)中央銀行副總裁、(5)財經部部長任命一人、(6)由主計長、金融監理委員會主委及央行總裁各推薦一人

並由財經部部長任命。主任委員因故不能視事時，依次由(2)至(5)之委員代理之。

註 4：KAMCO 最高決策單位為管理委員會，成員計十一人，包括：KAMCO 董事長(主席)、財經部指派負責財務之一級主管一人、企劃預算部指派一級主管一人、金融監督委員會及韓國存款保險公司指派執行主管各一人、韓國開發銀行副總裁、韓國銀行公會理事長推薦二人、由金融監督委員會與 KAMCO 總經理共同推薦，且對金融與企管具有專業素養與經驗之律師、會計師或稅務會計師、大學教授或專業研究機構具博士學位者各一人。

㈡組織調整架構

為有效達成金經改革目標，韓國分設專責之重整機構，其職掌分述如下(詳附圖一)：

1 財經部：負責訂定及修正經濟金融相關法規、訂定經濟金融政策、促進經濟重建等工作。

2 金融監理委員會(FSC)：負責研修金融監理法規、健全金融監理架構，並監督與評估金融機構重整、合併及增資案。另設立金融監督院(FSS)，負責執行 FSC 的決策。

3 韓國存款保險公司(KDIC)：負責處理問題金融機構，提供資金協助金融機構資產重整，強化金融機構營運體質。

4 韓國資產管理公司(KAMCO)：負責處理金融機構不良資產。

5 公共資金監督委員會：負責監督及規範公共資金之運用。

參、韓國經濟金融改革主要內容

一、金融改革目標及作法

㈠迅速讓經營不善機構退出市場

1 一次全部清查，降低道德危險：以資本適足率低於8%者為重建對象，委聘獨立專業人士成立評估委員會依一致性基礎評估認定，一次全部清查。如評估後經判定無法繼續營運者，採取收歸國有、合併及概括承受

後終止營業。如屬可繼續營運者，採增資、合併、引進外資等方式，改善營運體質。

2 提供全額保障，防範系統性危機。

3 金融機構家數減少27%或550家(2001年底)。

附表一　韓國1997-2001年金融機構家數變動表

金融機構家數	1997 年	2000 年			2001 年			2001 年
		關閉(2)	合併(3)	新設立	關閉(2)	合併(3)	新設立	
銀　　行	33	5	6	—	—	2	—	20
綜合金融公司	30	18	3	1	4	3	—	3
證券公司	36	6	1	14	—	—	3	46
投資信託公司	31	6	1	3	—	—	3	30
人壽保險公司(4)	31	5	5	—	2	—	—	19
產物保險公司	14	—	1	—	—	—	1	14
相互信用公庫	231	72	25	12	23	1	—	122
信用協同組合	1,666	257	101	9	48	1	—	1,268
合計	2,072	369	143	39	77	7	7	1,522

註：(1) 不包括過渡銀行及外商銀行

(2) 包括撤消執照、破產及解散

(3) 因合併所消失之金融機構家數

(4) 不包括郵政保險

資料來源：韓國中央銀行，調查統計月報，2002年2月。

㈡鼓勵併購，提高金融產業競爭力

1 提供財務協助、減稅、簡化合併程序等。

2 促進金融控股公司之設立。

㈢對有繼續經營價值但資本比率不足者，由KDIC動用公共資金注入股本至BIS10%

1 由KDIC與受援助銀行簽訂備忘錄(MOU)規範下列事項，旨在促其自發性的改善經營：

⑴受援助機構應提出經營正常化計劃；必須履行事項(財務及非財務事項)；幹部及職員之切結書；定期提交正常計劃履行情況之報告與檢討；欲對經營不善企業提供資金時，應簽署書面約定MOU。

⑵不履行正常化計劃得採行必要的懲罰性措施。

⑶追究經營不善者之責任。

2 計注入股本26家，金額45兆韓圜(2001年底)。

㈣協助金融機構迅速處理NPL，健全經營體質

1 改組成立KAMCO，集中收購及處理NPL，開創韓國NPL市場。

2 BIS比率低於8%者之NPL，由KAMCO全數收購，BIS比率高於8%者收購NPL50%。

3 參考最近三個月法拍價定價收購，以提高大批收購作業效率。三個月法拍價定價收購，以提高大批收購作業效率。

4 處理方式引進國外AMC作法，兼顧快速及價值最大化。

5 截至2002年5月底止，計支出309.7億美元收購面額為810.4億美元之NPL，尚餘327.5億美元面額之NPL待處理。

㈤強化金融監理

1 實施放款分類與備抵呆帳損失提列標準新制，符合國際金融規範。

2 建立立即糾正措施，強化金融監理機能。

3 提高銀行資訊揭露制度，提升銀行經營透明度。

4 改善流動性風險管理制度，1998年7月前短期資產占短期負債比率應超過70%。

5 2001年修正存款保障制，由全額保障制恢復為限額保障制（最高5千萬韓圜）。

二、企業改革目標及作法

㈠解決企業產能過剩與高財務槓桿問題

1998年1月企業界承諾以下列五項原則進行企業改革：

1 加強企業透明化。

2 取消交叉保證。

3 改善資本結構。

4 強化大型企業核心競爭力產業，並加強與中小企業之合作。

5 改善公司治理，包括加重管理者責任。

㈡五大企業集團改革

1998年9月大型企業體認以「規模導向」之觀念已過時，應推動「利潤導向」之經營觀念。爰由金大中總統主導，由五大企業集團領袖、五個主要經濟部會首長及四大債權銀行總裁，共同簽署「加速五大企業集團改革－政府、企業、債權銀行三方協議」，協議在1999年底完成下列改革：

1 同意對旗下主要七項產業進行事業互換(Big Deal)。

2 遵行「資金結構改善計畫」並將負債占淨值之比率降至200%以下。

3 依資金改善計畫進行資產出售、增資、引進外資、取消交叉保證。

4 由債權銀行按月監控五大企業集團改善情形，並透過以債換股等方式協助改善其資金結構。

5 主債權銀行與金融監督院(FSS)共同監督該計畫執行進度。

6 應對其旗下之金融機構與企業子公司間設立防火牆 。

7 各企業應降低子公司間之交叉持股，金融機構應以合併報表之負債占淨值比率評估企業債信，以加速降低

間接交叉持股。

8 政府應透過修法方式進行企業改革，並遵循市場經濟原則。

㈢完成企業改革法制基礎

1 2001年8月發布企業結構調整促進法，旨在將以往由債權銀行與問題企業簽訂MOU進行企業正常化計畫之作法予以法制化。

2 企促法主要重點：提高企業會計之透明性、協助債權金融機構主動、迅速及有效地推動企業結構調整，並授予債權人必要之權限，包括問題企業如無法存活可建議法院命令清算。

3 制定CRC及CRV法，引進企業結構調整專業化機制。

㈣企促法企改運作模式簡介

韓國企促法係透過強化債權人權力之方式，由債權金融機構擔任改革推動之核心，其施行期間為 2001 年 9 月至 2005 年 12 月，依據該法推動之企業改革模式簡要說明如下：

1 由債權銀行組成「債權銀行委員會」(以下簡稱委員會)對問題企業進行結構調整，並由主債權銀行負責會議之召集與運作。另為有效進行企業結構調整，得將債權金額不及授信總額5%之小額債權金融機構(petty-sum creditor financial institutions)，排除於委員會之外。

2 明定問題企業結構調整之方式，包括進行聯合管理、通告債權人延遲執行債權、與問題企業訂定管理正常化協議、進行債權調整(如：延長償債期間、減免本息、以債轉股等)、新貸(優先受償)等。

3 委員會決議由債權額四分之一以上之債權金融機構同意後通過。

4 倘債權金融機構對問題企業進行聯合管理、債權調整或新貸案等重大決策投反對票時，得要求委員會以市

價承購其債權。倘收購價格無法達成協議，則由調解委員會參酌雙方推派之會計專家之意見決定之。

5 主債權銀行應定期對問題企業之聯合管理及管理正常化結果進行評估，倘認無經營正常化之可能者，則應即向法院申請命令解散或清算，或要求宣告破產並申請破產等。

6 另為使債權金融機構善盡其責，明定其倘未執行委員會決議，如有損失應付賠償責任；倘違反企促法相關規定(如未定期辦理信用風險評估及貸放後管理等)，則另訂有相關罰則，如對員工進行警告、懲戒或減薪、撤換主管、中止部分業務項目等。

三、勞動改革目標及作法

㈠妥慎處理推動改革引發之失業衝擊

1 設立勞、資、政三邊委員會(詳附錄)。

2 修正勞動基準法，廢除企業終身雇用制，並實施彈性工時制。

3 擴充勞動市場之供需資訊網。

4 加強就(轉)業訓練及強化企業人力的配置效率。

5 增加失業救濟相關給付預算(占0.5%GDP)，以爭取社會對改革之認同。

㈡擴大社會安全網

由於以往韓國企業多為終身僱用制，故企業成為社會安全之主要提供者。然因金融危機後之金融與企業改革，導致失業率大增及所得降低，迫使韓國政府正視就業社會安全網之設置，並以下列二項列為工作重點：

1 對閒置工作人力提供協助並促使其儘快返回工作崗位。

2 對最需要者(指高齡者、失業者子女及無法工作者)提供最低收入補助。

在上開政策下，社會安全網支出由 1997 年之國內生

產毛額之 0.6%，大幅提高為 1999 年之國內生產毛額之 1.6%。政府並積極注意擴大社會安全網可能產生之負面效應，以避免成為永久性福利補助及減低就業誘因。其措施包括：

1 擴大就業保險保障範圍

為因應失業率增加，韓國 1998 年將就業保險制度 (employment insurance system, EIS)之保障範圍擴大，包括將適用對象涵蓋至五人以上企業之員工，嗣更將五人以下企業亦納入保障範圍，使獲保障之受薪勞工由 33%增加為 70%。此外，政府更將最低補助期間加倍至 60 天，並將補助期間上限由 7 個月增加為 9 個月。

2 對配合降低解雇員工之雇主提供補助

為期降低失業率，政府並對留任員工之企業提供補助，如業主以暫時歇業、付費休假及降低工時等方式避免解僱員工者，最高提供 6 個月(嗣調高為 8 個月)之補助，以及對僱用新近被解僱勞工之企業提供補助等。

3 設立薪資求償保證制度

1998 年 7 月，韓國政府設立了薪資求償保證制度 (Wage Claims Guarantee System)，以確保破產企業員工收到最後三月之工資。

4 提供創業貸款並擴大職訓課程

協助失業勞工儘速找到工作，當局亦擴大職業訓練課程，並提供額度達 3000 萬韓元之貸放計畫，以協助小型企業之設立。

5 推動公共部門擴大就業計畫

公共部門就業計畫亦為主要社會安全策略之一。由於危機發生初期失業救濟保障有限，政府爰提供大量公共就業機會予失業勞工(尤以失業補助已結束者為先)，包括維護國有土地及公共建設，以及其他較適合

失業之大專畢業生之技術性工作。1998 年公共部門就業計畫約花費了逾 1 兆韓圜之預算，僱用了 44 萬人，1999 年更達 2.5 兆韓圜或國內生產毛額之 0.5%。

6 其他社會救濟計畫：

如對失業者子女之學費補助、住宅津貼、醫療保險費補助，以及對兒童、高齡者及殘障者提供免費食物之計畫等。

綜上觀之，韓國之社會福利制度在金融危機後大幅發展，該國政府立即改善社會安全網並避免貧戶大幅增加。嗣隨著經濟復甦及失業率降低，制度之重點逐漸由創造公共就業機會及降低解僱，轉為提供社會救濟及鼓勵就業者自救。

四、公共改革目標及作法

㈠提昇政府效能，因應全面改革需求

1 推動政府組織再造，精簡人事16%。

2 採取擴張性的財政政策及貨幣政策，協助經濟成長。

3 推動稅制及稅政改革。

4 推動公共部門革新，包括國營事業民營化。

㈡確保公共資金之運用及管理符合效率、公平及透明度

於2000年12月制定公共資金監督特別條例，明定下列等事項：

1 公共資金之動用原則。

2 KDIC及KAMCO共同執行公共資金，並設置公共資金監督委員會，負責公共資金動用之准駁。

3 出版公共資金運用白皮書。

4 受援助金融機構及問題企業應簽訂正常化 MOU。

㈢公共資金投入情形

韓國在1998年迄2002年3月共籌措156兆韓圜（約 1,245 億美元）公共資金，占GDP25%，公共資金回收率為30%，高於日本的18%。

㈣其他重要的金融改革配套措施

1 實施新放款分類與備抵呆帳損失提列標準，符合國際金融規範

2 建立立即糾正措施，強化金融監督機能

3 提高銀行資訊揭露制度，提升銀行經營透明度

4 改善流動性風險管理制度，1998年7月前短期資產占短期負債比率應超過70%

5 2001年修正存款保障制，由全額保障制改為限額保障制（最高5千萬韓元）。

附表二　公共資金之財源及運用情形

基準日：2001年12月31底　　單位：兆韓圜

公共資金運用項目	金額	百分比%
公共資金	156	100.0
一、財源		
財政資金	20	12.8
發行債券	104	66.7
公共資金回收金	32	20.5
二、運用		
對金融機構出資	60	38.5
代償存款給付、捐款*	42	26.9
收購資產	15	9.6
收購不良債權	39	25.0

註：捐款包括對銀行捐款13.6兆韓元及對非銀行金融機構捐款2.7兆韓元。

資料來源：韓國財政經濟部，公共資金之運用，2002年7月。

肆、韓國金經改實施成效

一、金融改革成效

㈠金融機構家數減少二成七

㈡銀行營運體質漸趨改善，銀行競爭力提昇

1 資本適足率提升：由1997年底之7.04%上升至2001年底之10.81%。

2 不良債權比率下降：由1999年底之12.90%下降至2001年底之 3.40%。

3 收支轉虧為盈：由1999年至2000年之虧損9.7兆韓元轉為盈餘5.3兆韓元。

4 資產報酬率上升至 0.8%(2002 年 3 月)

5 對民營企業融資增加：由1998 年之負3.6兆上升2000年之23.4兆。

二、企業改革實施成效

㈠企業財務結構漸趨改善：負債比率由1997年之396%下降至2001年底之182%；自有資本比率由1997年之20%上升至2001年之35%。大財團的企業結構調整策略亦見成效。

㈡掃除大企業集團「船隊式」經營之弊端，打破大企業集團不能倒的神話。迄今已有大宇、韓寶等 16 家大企業集團被解散或縮編。

三、經濟基本面獲得大幅改善，提前三年償還IMF貸款

㈠經濟成長率穩定成長：1998 年韓國受亞洲金融危機之重創，經濟轉為負成長，自 1999 年起連續兩年強勁復甦。去（2001）年世界經濟景氣下滑，惟韓國經濟仍保有 3%的成長。

㈡消費者物價上漲率控制在 3%：在景氣復甦及綜合失業對策奏效下，使一度高達 8.6%（1999 年 2 月）的失業率降至近年來 3.4%的水準。今年六月失業率降為 2.7%，已恢復金融危機前的水準。

㈢經常帳收支轉為順差：1998 年以來，在出口轉趨復甦下，經常帳收支已由過去長期逆差轉為大幅順差。

㈣外人投資強勁：在韓國政府改善外人投資環境後，外人直接投資大幅增加，1998 年迄 2002 年 6 月底外人直接投

資金額高達 568 億美元，遠超過過去 36 年（1962 至 1997 年）的 246 億美元。

㈤提前三年償還 IMF 貸款：2001 年 8 月韓國提前三年全部償還 IMF195 億美元的紓困貸款，另預計近期內亦將提前全部償還 IBRD 與 ADB 計 107 億美元的紓困貸款。

四、國家信用評等回升至A級

1997年底韓國國家信評被降至「投機」等級，其後逐步回升。目前已調升至A級，對外信賴度大幅提升。

伍、韓國改革成功之因素

一、經濟快速復甦

㈠除貨幣與銀行體系危機外，國內經濟條件尚佳：財政盈餘、具高度競爭力的電子產業、不動產市場呈現穩定未過度投資(韓國建築業1980年代之過度投資經過長時間之消化，於一九九七年風暴時，已消化殆盡而無過熱之現象)、政府公共債務不高(1996年底為GDP之9.5%)。

㈡國際經濟好轉：外需轉強，尤其是韓國企業在危機前過度投資之通訊及資訊產業，韓圜大貶使產業更具競爭力。

㈢內需仍強勁：高儲蓄率（1995-1997年平均儲蓄率為23%）及低負債，使人民消費能力仍強勁；不動產內需強，營建業大幅增加投資。

二、為獲IMF資金及技術援助，接受符合國際標準之改革條件，全國上下一心，不分黨派。

三、政府誠實面對經濟及金融產業結構性問題，採取全面性改革，並作為大幅投入公共資金之基礎。

四、改採擴張性財政及貨幣政策，協助經濟復甦。

五、開放長期資本帳，引進外資投入企業改革，降低企業對短期借款及銀行融通之依賴度。

六、勞動市場彈性度提高，使勞動生產力提昇、勞動成本降低，競爭力增加。

七、新的政治領導者於一九九八年執政後，致力於凝聚改革之共識，並對於完成改革給予高度承諾。

陸、韓國改革後待決問題

一、 KDIC持有金融機構股權需儘速釋出

韓國政府在金融改革的歷程中，提供巨額公共資金協助金融重整，目前政府透過 KDIC 擁有多家銀行的股權，持股比率高達 31%至 55%。政府介入金融機構經營，與金融自由化的世界潮流背道而馳，目前 KDIC 已擬妥釋股方案，將在未來三、四年內，將政府持股陸續釋出，恢復市場機制。

二、 大企業集團持續掌握非銀行金融機構

韓國政府為加速推動金融改革，雖陸續關閉多家綜合金融公司、投資信託公司、保險公司等非銀行金融機構，但是韓國大企業集團反擴大運用旗下的非銀行金融機構吸金，融通大企業集團體系所需資金，延緩企業結構改革，拖延金融機構重整速度。

三、 強制企業資產設備互換違反市場自由競爭原則

韓國政府強勢主導大企業集團間的資產設備互換或合併，不僅嚴重違反市場的自由競爭原則，同時，將加深市場獨占及寡占的現象。OECD 呼籲韓國政府在經濟情勢平穩後，應儘速進行政策上的修正。

四、 KAMCO尚有四成餘的不良資產尚待處理

KAMCO 尚未處理之不良資產中有七成是於 2000 年後收購屬大宇集團之不良資產，其餘三成係屬移送法院處理之不良債權，亦即除大宇集團之不良債權外，其餘屬 KAMCO 可自行處理者，均已快速處理完畢，成效良好。

五、 已投入改革之公共資金中，預計損失 69 兆韓圜有待解決。

目前上開損失預計分別由金融機構負擔 20 兆，及由政府預算負擔 49 兆。金融機構部分 KDIC 擬以徵收 20 年萬分之十之特別保費方式辦理。

柒、WB對韓國處理金融危機檢核表

一、韓國於發生金融危機前金融改革實施情形

金融改革項目	1992 年金融自由化～1997 年金融危機改革前	1997 年金融危機改革後
商業銀行所有權	民營	民營
銀行經理人之任免	政府	銀行
商業銀行授信上限規定	有	無
商業銀行外資持股	允許部分持股	允許部分持股
存放款利率決定權	政府	市場
向商業銀行借入外幣	嚴格禁止	開放
辦理政策性放款	有	大幅減少
銀行放款主要對象	民間部門	民間部門

二、韓國金融危機爆發前銀行體系相關問題檢核表

0：不符合　1：勉強符合　2：符合　3：完全符合

有效率銀行體系之最低標準	結果
適當的法律架構及監理制度	
1.借款人逾期時銀行能迅速收回債權	1
2 實施巴塞爾國際資本準則	1
3 會計帳務符合國際會計準則	1
4 依借款人還款能力建置放款分類制度	1
5 備抵呆帳提列符合國際規定	1
6 訂定適當法規限制市場風險(如利率外匯及流動性風險等)	1
7 大額暴險及關係人交易之監理規定符合國際規範	1
有效監理銀行體系	

8.由單一專責單位負責銀行	1
9 獨立監理機關	0
10 金融監理不僅著重法規遵循程度，亦能透過場外監理辨認及限制銀行潛在風險	0
11 實施合併監理	0
12 辦理實地檢查有適當的作業規範	1
13 對銀行監理人員辦理定期訓練	1
14 主管機關賦予足夠之懲處權，包括撤換經理人員及限制業務等	0
銀行有適格經理階層	
15 銀行經理人員具備多年銀行實務經驗	2
16 核發銀行執照前，對銀行股東及經理人員之操守及專業能力，訂有嚴格審核標準	1
17 銀行之經營管理能避免政治干預	0
18 銀行業具備適足之信用及市場風險管理能力	1
強有力的市場監督機制	
19 對未能符合最低資本規定之金融機構有實施立即糾正措施	0
20 對舞弊及不法金融交易施以嚴厲懲罰	1
21 對不具繼續經營價值之金融機構，已建置使其能迅速退出市場之機制	0
22 實施限額存款保險制度	3

三、韓國金融危機處理績效檢核表

快速及成功處理金融危機之先決條件	檢核結果
能快速及有效處理系統性風險	是
專責機構管理金融危機之能力	受到限制
快速且真實承認潛在損失	是
處理政策及策略	
購買不良放款	一次收購並按市價收購
強化銀行資本	仰賴公共資金

債務活化	過程緩慢,且以公司戶債務為活化對象
管理及處置不良放款	快速出售
強化金融監理	過程快速
管理決策品質	
達到處理金融危機之各項政策目標	適當
金融改革速度	快速
決策透明	是
金融改革過程中面臨政治及社會之干擾程度	輕微

四、韓國處理金融危機專責單位運作情形檢核表

危機管理單位	檢核結果
設置專責管理金融危機之單位	於金融監理委員會(FSC)下設特別任務小組
專責單位之預算人力及專業能力	
充足的預算資源	是
管理危機之職員為全職而非兼職	是
聘用之職員包括併購、銀行重整、債務重整及不良放款管理與處置等專長人員	職員主要來自研究機構、中央銀行及財政部，沒有來自民間部門
專責單位之職權	
建立各項預防及糾正之監理措施	是
判定個別銀行是否支付不能	是
重整銀行體系	是
制訂資本強化計劃	是
決定不良放款購買之相關準則	是
決定不良放款出售及處置之相關準則	否

五、韓國判定銀行具支付能力或支付不能之標準及程序

指標	作法
由誰決定?	聘請專家組成獨立委員會，

指標	作法
	FSC 依委員會意見做最後判定
如何決定?	所有銀行採取一致標準評估
決定銀行是否具備支付能力之主要標準	資本適足率達 8% 重建自救計劃可行 委由獨立專家辦理評估
何時決定?	對所有銀行進行一次判定

六、購買不良放款之準則及機制

準則	說明
購入不良放款種類	第三類及第四類不良放款
得出售不良放款予 KAMCO 之銀行	• 健全銀行以 P&A 交易受讓體質較弱金融機構 • 二家體質較弱但具存續價值之金融機構經合併後存續之銀行 • 健全銀行概括受讓不具存續價值金融機構
購入不良放款金額占放款總額之比率	9%
購入價格	擔保放款:帳面金額之 45% 無擔保放款:帳面金額之 3%
付款方式	政府擔保之可轉換公債(每半年付息一次)
收購次數	一次收購（僅少數個案於第二次收購）

第二章　韓國公共資金之監督管理

為解決公共資金挹注問題金融機構後之監督、缺乏公共資金挹注之標準與流程，以及無專責機構管理公共資金之挹注與回收等問題，韓國國會於 2000 年 12 月頒布了公共資金監督特別法(Public Fund Oversight Special Act，簡稱特別法)。依據特別法公共資金監督委員會於 2001 年 2 月正式成立，負責公共資金支出及回收等相關監督事宜。該法並授權 KDIC 負責管理對問題金融機構進行公共資金挹注事宜，並規定 KDIC 協助支付不能之金融機構前，需先與該金融機構簽訂備忘錄(MOU)，其中對每季之資本適足性、生產力、獲利能力，以及重建計劃等，皆訂有明確具體之目標，另並透過對未遵守協定條款之金融機構施予處罰之方式，務期使股東價值最大化，以利公共資金之回收。

壹、 公共資金監督委員會

一、委員會成員

公共資金監督委員會共有八名委員，由官方及非官方委員組成，分別為：

㈠財經部部長。

㈡計劃與預算部部長。

㈢金融監理委員會主席。

㈣四位經濟專家(二位由總統直接任命、二位由國會主席推薦，並由總統任命)。

㈤一位由最高法院首席法官推薦，總統任命之法律專家。

二、任期

非官方委員任期為二年，並得連任一次。

三、委員會之功能

委員會之主要功能為公共資金之整體策略管理與規劃，有關金融機構是否合於受財務協助之評估標準和公共資金管理之原則及制度由委員會建立，而受挹注金融機構之選擇、挹注原則等有關公共資金之挹注及回收事項均需經委員會之審議。

四、委員會之運作

委員會主席職務由財經部部長及非官方委員互選之委員一人共同為之。任一共同主席均得召集委員會會議、代表委員會，並監督委員會會務。委員會決議應由出席委員過半數同意。

此外，KDIC及KAMCO 總經理應出席委員會，並得就與其職務有關事項發言。

為執行委員會任務，依特別法規定，委員會得要求金融監理委員會、KDIC、KAMCO 或其相關機構對委員會報告，並提出文件及資料，亦得要求股東、相關人員或政府官員於委員會會議提出意見。委員會並有對相關機構為實地檢查之權限。

為利委員會之運作，政經部下並設置秘書處以協助處理委員會事務。

五、對國會報告並接受稽核

委員會主席即財經部部長應就公共資金之使用、回收資金之再使用及其他相關資金運用事宜，定期向國會提出報告，並接受國會質詢。

審計部(Board of Audit and Inspection, BAI)亦應依法對公共資金進行查核，並對國會提出查核報告。

六、徵詢公眾意見

委員會必要時得就公共資金有關事項舉行公聽會或研討會，以徵詢公眾之意見。所需費用，由委員會預算範圍內支出。

貳、公共資金運用之原則

一、最小成本原則

特別法明白揭諸公共資金的挹注應採成本最小及效率最大的方法。政府動用公共資金須提出資料證明已遵循最小成本原則，並為資產負債之財務查核程序，同時提出查核報告。

二、損失分攤原則

除成本最小原則外，政府挹注公共資金亦應遵循原則尚包括：相關金融機構對損失應負責人員應公平合理分攤該等損失，政府應令負責經營及管理問題金融機構者，立即依據相關法令之規定採取民事求償等相關法律行動。

其次，政府挹注公共資金原則上應分二次以上分次支付。且應將受挹注金融機構自救之努力程度納入考量。

參、資產處理原則

為使公共資金回收最大化，特別法亦揭櫫資產處理原則，明定政府處理資產，應盡力達成使納稅人之負擔最小化目標，例如金融機構股份應為合理價格。

為查核政府處理資產之妥適性，特別法明定公共資金督督委員會應成立資產處理查核附屬委員會(Disposal Review Subcommittee)。附屬委員會成員分別為：公共資金監督委員會之非官方委員互選之一人、委員會秘書處主任及由委員會主席指派之具資產銷售經驗者一人，並由選出之非官

方委員為附屬委員會主席。

查核附屬委員會應依規定，將查核結果向委員會報告。另就例如股票等資產處理事項，附屬委員會得徵詢民間專家之意見。

肆、白皮書

委員會應於每年 8 月底前出版公共資金管理事宜之白皮書，公布有關公共資金支出及回收之細節。

伍、MOU 之簽訂

為改善受援助問題銀行之經營以提高股價，依特別法之規定，KDIC 在公共資金挹注前，會先與問題銀行簽署備忘錄(Memorandum of Understanding, MOU)，包括在特別法頒布前已受資金挹注之問題金融機構。MOU 中明定應達成之資本適足性、生產力、獲利能力、逾期放款比率等財、業務目標，以及為達到上述目標之具體執行計劃，包括人力資源、組織、薪資調整及財務計劃等。此外，相關執行計劃需經勞工工會同意事項，並取得工會之同意。

對未遵守協定條款之金融機構並得施予包括凍結薪資及福利、停職或解聘職員等罰則。

為監督 MOU 之執行情形，KDIC 定期查核依 MOU 所定執行計劃之執行結果，並將查核結果提交委員會。為執行查核工作，KDIC 得要求接受公共資金金融機構報告其資產負債狀況、提交資料及要求相關人員提出說明。

迄 2001 年底，計有 14 家金融機構與 KDIC 簽訂 MOU(附表三)。KDIC 為提高 MOU 管理績效，儘可能按月查核並評估受援助金融機構對 MOU 之執行情形，為使查核更具客觀

性，KDIC 檢查團隊中還加入會計師。此外，為減輕金融機構之負擔，KDIC 自 2001 年第二季起並與 FSS 共同執行檢查。KDIC 並邀集外部之金融、法律及會計專家組成 MOU 遵循諮詢會(MOU Compliance Council)，對不能達成 MOU 約定目標之金融機構之處置提供意見，以求處理之透明及客觀。

KDIC 除要求簽訂 MOU 機構立即力行約定事項外，對不遵循 MOU 約定之機構，KDIC 亦要求 FSC 採行必要之處置。

附表三　MOU 執行概況

金　融　機　構	MOU 簽訂／修正日期	MOU 查核次數
Woori 金控公司	2001.7.2	1(實地檢查)
Hanvit 銀行	1999.1.22/2000.12.30	11(7 實地,4 書面)
Peace 銀行	2000.1.7/2000.12.30	6(3 實地,3 書面)
Kwangju 銀行	2000.12.30	3(1 實地,2 書面)
Kyungnam 銀行	2000.12.30	3(1 實地,2 書面)
Woori 綜合金融公司	2000.12.9/2001.1.19	3(1 實地,2 書面)
Cheju	2000.12.30	3(2 實地,1 書面)
Seoul 銀行	2000.12.30/2001/1.20	3 實地檢查
Cho Hung 銀行	1999.11.12/2000.5.1	8 實地檢查
漁會信用合作協會	2001.4.25	2 實地檢查
Daehan 投資信託證券公司	2000.9.25	5(4 實地,1 書面)
Korea Investment Trust Co.	2000.9.25	5(4 實地,1 書面)
Seoul Guarantee Insurance	2000.4.12/2001.1.9	7(6 實地,1 書面)
Saehan Life Insurance	2001.4.12/2001.9.5	6(5 實地,1 書面)

資料來源：KDIC2001 年年報

陸、經營正常化計劃履行備忘錄簡述

茲參據韓國存款保險公司與ＯＯ銀行所簽訂之 MOU 為例，簡述其主要內容如下：

一、訂約人

存保公司／受援助金融機構。

二、前言

受挹注金額及受援助銀行保證依誠信原則落實履行經營正常化計劃。

三、目的

受援助銀行經營正常化後，充分且迅速償還存保公司挹注之公共資金。

四、主要內容

㈠除有天災、重大經濟危機或其他不可抗力事由外，受援助銀行應落實履行經營正常化計劃。且不得以無故意或過失為抗辯，尤不得以其與員工、工會、債權人、股東等之爭執為不可抗力之事由。

㈡受援助銀行應提交：

1.經營正常化計劃。

2.必須履行事項：財務及非財務事項。

3.幹部及職員之切結書。

㈢受援助銀行得要求修正經營正常化計劃，經存保公司同意後執行。

㈣受援助銀行應定期提交正常計劃履行情況之報告與檢討。

㈤必要時，存保公司得要求受援助銀行選聘專家對經營正常化計劃等案加以評價。

㈥存保公司得對受援助銀行實施調查，受援助銀行應全力配合，並負擔所需人力及費用。

㈦不履行經營正常化計劃所採行之措施

受援助銀行不履行或不落實經營正常化計劃存保公司得命銀行採行以下措施：

1. 對幹部或職員警告、譴責、減薪、要求停止執行業務，

或解雇。

2. 增資或減資本，處分資產。
3. 改善或縮小人力及組織運作。
4. 廢除、整合或管制新設分行與組織，並且整理子公司。
5. 禁止取得風險性較高資產，或處理已經取得的資產中風險度較高的項目。
6. 對於投資固定資產、拓展新業務領域及新出資之限制。
7. 停止或轉讓部分營業。
8. 限制特定金融商品之銷售。
9. 合併或由金融控股公司併購。
10. 移轉存款及放款等有關金融交易的契約。
11. 其他為經營正常化或保護存款人所需要措施。

㈧受援助銀行如無法於期限內達成相關財務比率，應提交後續履行計劃並經存保公司認可，如否，人力費用及相關福利應予凍結。

㈨追究經營不善者之責任

存保公司得要求受援助銀行對造成損失者為損害賠償等追究責任措施，受援助銀行應立即辦理，並定期報告進度。

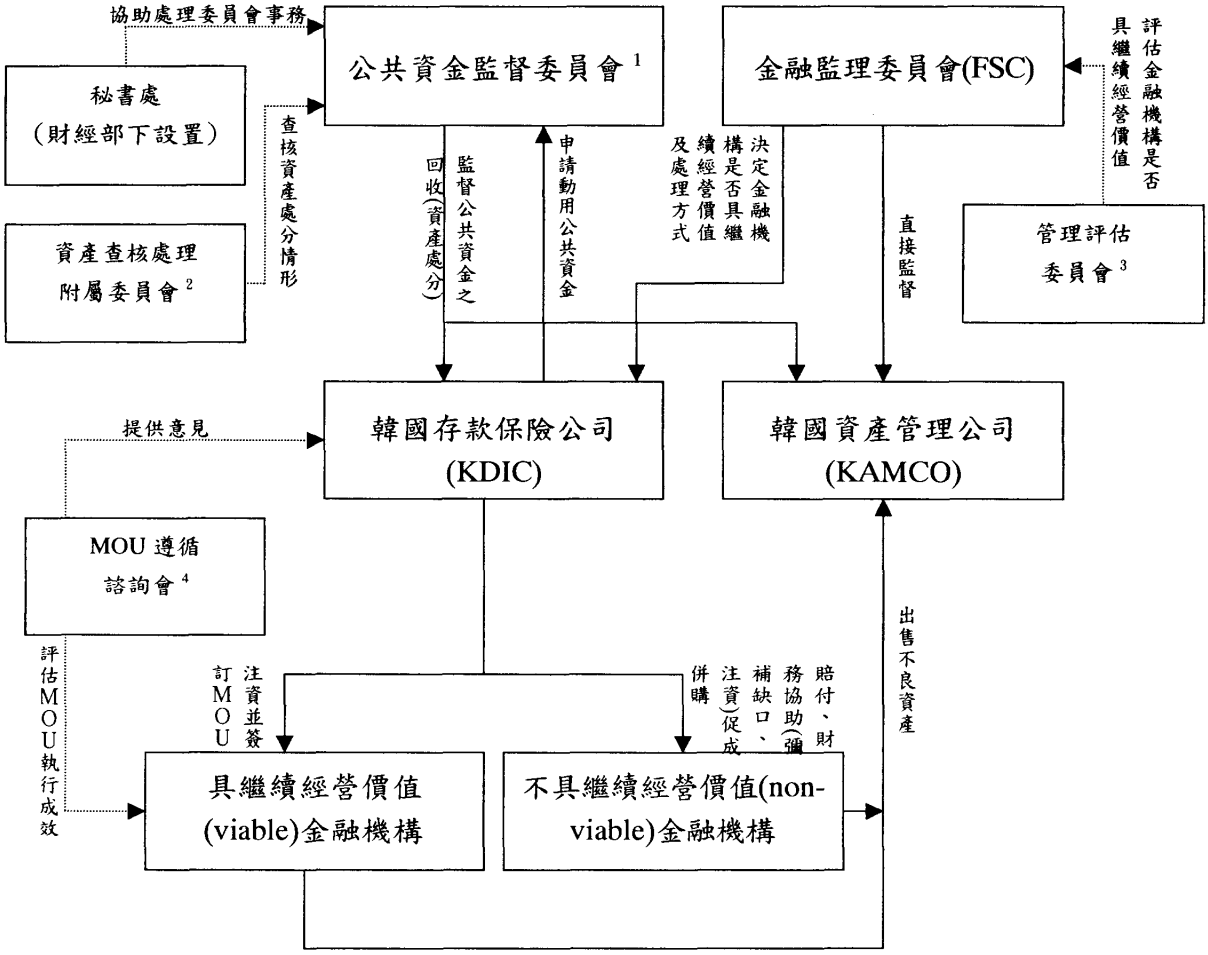
㈩受援助銀行在不影響經營正常化範圍內，應採行如保留盈餘等方式儘速償還存保公司挹注之資金。

㈠受援助銀行欲對經營不善企業提供資金時，應簽署書面約定。

柒、與支付不能企業簽訂備忘錄

受資金挹注金融機構，要對符合政令規定之破產企業注入資金時，應取得該企業重建有關人員之書面同意，並依法令規定之內容與該企業簽訂備忘錄。簽訂之備忘錄未執行或未適當執行時，相關金融機構不得再提供其他授信予該企業。

附圖一之一　公共資金運作流程



註 1：公共資金監督委員會成員計有八人，包括：財經部部長、計劃與預算部部長、金融監理委員會主席、四位經濟專家(二位由總統直接任命、二位由國會主席推薦，並由總統任命)、由最高法院首席法官推薦，總統任命之法律專家一人。委員會主席職務由財經部部長及非官方委員互選之委員一人共同為之。

註 2：資產查核處理附屬委員會(Disposal Review Subcommittee)之設置，係為查核政府(含 KDIC 及 KAMCO)處理資產之妥適性，其成員包括：公共資金監督委員會之非官方委員互選一人(附屬委員會主席)、委員會秘書處主任，以及由委員會主席指派之具資產銷售經驗者一人。

註 3：管理評估委員會(Management Evaluation Committee)係為評估問題金融機構是否具繼續經營價值，其成員係由九至十二名專家組成，包括會計師、律師及其他專業人士。該會之事務性工作由金融監督院(FSS)協助，並由會計師事務所協辦財務報表分析與資產價格評估等工作。

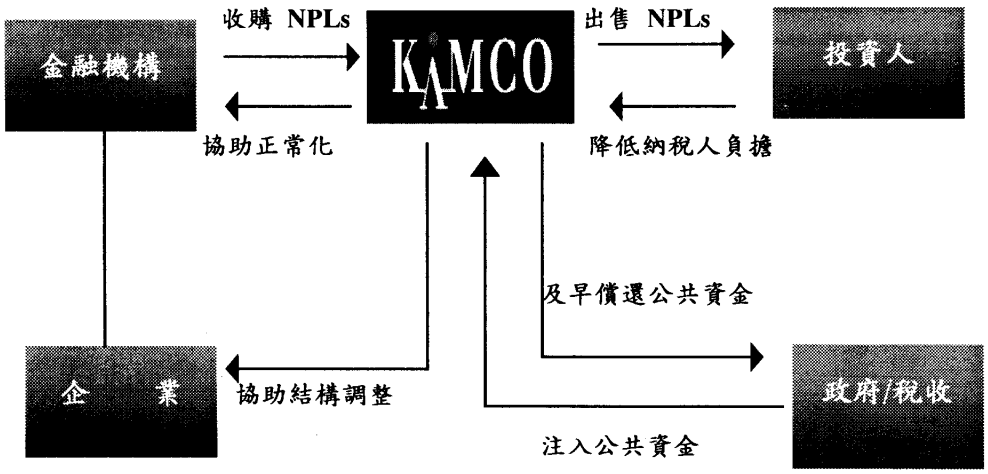
註 4：MOU 遵循諮詢會(MOU Compliance Council)係由 KDIC 邀集外部之金融、法律及會計專家所組成，對不能達成 MOU 約定目標之金融機構之處置提供意見，以求處理之透明及客觀。

第三章　韓國資產管理公司與金融重建

1997 年韓國之經濟狀況，迫使該國政府必需迅速有效處理不良資產以解決金融機構問題，鑑於當時金融危機之嚴重程度，無法靠市場機制自行解決，加上當時韓國之 NPL 市場尚未成形，韓國政府爰決定介入金融與企業部門之重建工作，於 1997 年 11 月改制韓國資產管理公司(KAMCO，身為成業公社)，使其成為韓國不良放款之專責處理機構，並設置不良放款管理基金(NPL 基金)，作為其收購金融機構 NPL 及協助金融與企業正常化經營之主要資金來源。

1998 年 3 月，政府初步評估全體金融機構之不良放款金額約為 118 兆韓圜(約占 GDP 之 28%)，並計畫透過銀行內部自行處理及由及韓國資產管理公司(KAMCO)折價收購等二種方式立即處理其中價值約 100 兆韓圜部分。KAMCO 透過發行債券交換不良債權(NPL)之方式，大量移除銀行之

附圖一之二　KAMCO 在韓國經濟及金融重建之角色

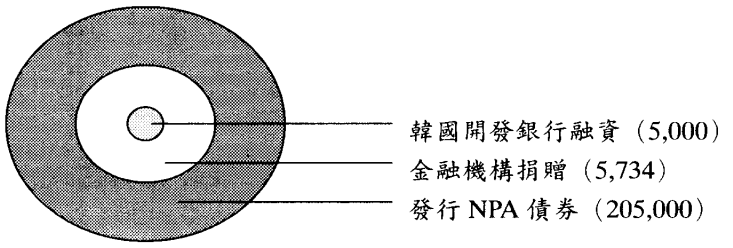


NPL，不僅改善其財務報表結構，並提高了銀行的流動性，使其業務恢復正常，並運用積極與先進的處理技術，協助企業重整並提高不良資產價值，進而達成促進金融安定與重建韓國經濟的目標(附圖一之二)。

由於政府強烈的改革意願與公共資金之及時介入，加上 KAMCO 成熟的 NPL 處理經驗，使韓國金融改革之成效斐然。截至 2001 年底，KAMCO 計投入了 21.6 兆韓圜之公共資金，其中 20.5 兆係以發行債券之方式取得，另 1.1 兆則係透過融資及金融機構捐贈方式取得(附圖二)。以下謹就 KAMCO 之設立背景、運作架購，以及其對不良債權之收購、處理及成效等節分述之。

附圖二　不良放款管理基金之籌措

單位：億韓圜



壹、韓國資產管理公司簡介

一、發展沿革

- 1962 年 4 月 6 日：依韓國開發銀行法第五十三條第三項之規定設立，為韓國開發銀行之子公司，名為「成業公社」(KAMCO 之前身)，當時主要業務為處理該行之不良金融資產。
- 1966 年 8 月 3 日：擴大業務至處理所有金融機構之違

約授信帳戶，被認可為專業之不良債權處理機構。

- 1980 至 1990 年代：成業公社開始進行政府沒入資產之公開標售及管理與銷售國有財產，進一步成為專業之不動產管理機構。
- 韓國政府為因應大規模之金融危機，於 1997 年 8 月 22 日通過「有效管理金融機構不良資產與設立新成業公社法」，並於同年 11 月 24 日改制重建成業公社及擴大業務範圍，並設置期限五年之不良放款管理基金(NPL Management Fund，以下稱 NPL 管理基金)由其統籌管理。
- 1999 年 4 月 30 日修正「成業公社法」，並將之定位為韓國之不良資產處理機構(Bad Bank)。同年 12 月 31 日再次修正「韓國資產管理公司法」，將成業公社更名為韓國資產管理公司，再次擴大 Bad Bank 功能，專責協助金融監督委員會(FSC)推動金融機構與企業債務重整工作。

二、組織架構

由於 KAMCO 為公營機構，故仍須受政府監督，其直接主管機關為金融監督委員會(FSC)，並間接受財經部之監督。茲就其管理與組織架構分述之。

㈠經營管理委員會(Managing Committee)

管理委員會為 KAMCO 最高決策單位，負責訂定主要企業決策及決議 NPL 管理基金重要事項。任期三年，成員計十一人，包括：

1. KAMCO 董事長(Managing Director，委員會主任委員)
2. 財經部指派負責財務之一級主管一人
3. 企劃預算部指派一級主管一人

4. 金融監督委員會指派執行主管一人
5. 韓國存款保險公司指派執行主管一人
6. 韓國開發銀行副總裁
7. 韓國銀行公會理事長推薦二人
8. 由金融監督委員會與 KAMCO 總經理共同推薦，且對金融與企管具有專業素養與經驗之律師、會計師或稅務會計師、大學教授或專業研究機構具博士學位者各一人。

㈡董事會

董事會為 KAMCO 最高管理單位，成員包括董事長、副董事長、五名(或少於五名)董事及一名監察人，任期三年。其中董事長應由股東會選任，並經金融監督委員會同意後任命；副董事長應由董事長推薦，並經股東會選任；法定監察人由金融監督委員會指派。

㈢組織架構

KAMCO 為因應任務需求，為提高作業彈性，其組織架構視需求調整，且員工多採約聘制(1-3 年一聘)，截至 2002 年 8 月底止，計有 5 部(Group)、27 處(Department)、3 室(Office)及 9 個分支機構(Branch Office)(詳附圖三)，職員總數為 1,269 人。為詳細瞭解 KAMCO 之業務，茲就各主要部門及其業務詳述如下：

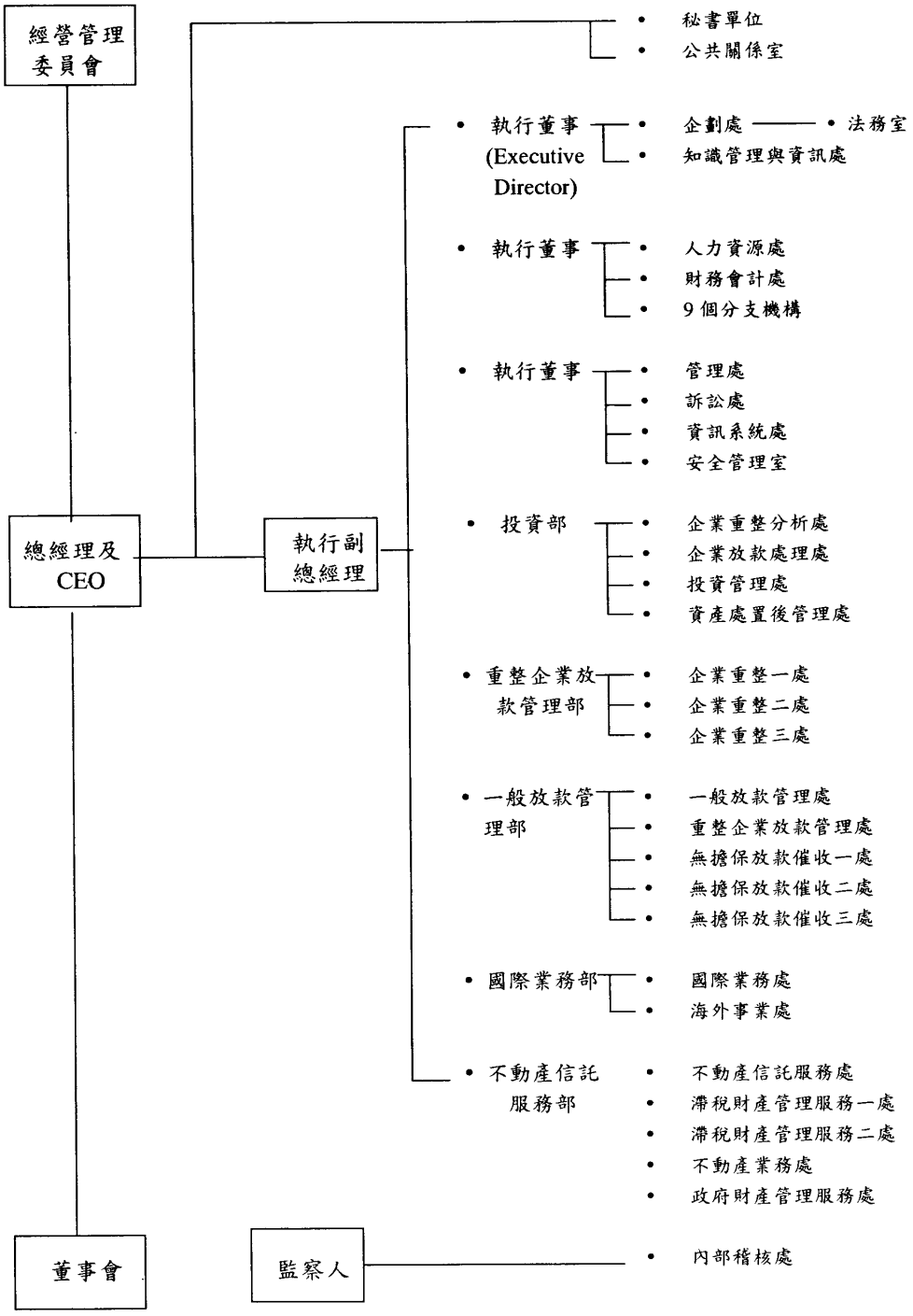
1.投資部

⑴企業重整分析處

負責擬訂 NPL 之收購與行銷策略。主要工作包括評估擬收購一般不良資產之價值、擬收購或已收購企業之評價、選擇應予重整企業或擬訂其管理策略。

⑵企業放款處理處

附圖三　KAMCO 組織架構



負責處理個別放款之管理與銷售(以提高售價，主要指非採大批銷售者)、擬售予第三人或進行 M&A 交易之放款。

(3)投資管理處

透過世界銀行(IBRD World Bank)與亞洲開發銀行(ADB)提供貸款及與外資合夥設立資產管理公司(AMC)、企業重整專業公司(CRC)或企業重整投資公司(CRV)之方式處理不良資產。KAMCO 藉由此等合夥方式取得先進與複雜之資產處理技巧。

(4)資產處置後管理處

KAMCO 為迅速處理與及早回收公共資金，已藉由發行 ABS 及國際標售等大批出售方式處理不良債權。資產處置後管理處擔任已出售之一般及企業放款受託管理之責，期回收率之最大化。

2.企業重整部

(1)企業重整處

負責與債權金融機構共同促成重整企業放款之收購與處理策略之擬訂。如向金融機構收購有支付不能之虞之企業貸款，並採用分割、出售、以債換股、放款展延等方式提高回收率。

(2)海外放款管理處

KAMCO 自 2001 年 5 月 1 日起新設海外放款管理處，以加速提高大宇企業放款之回收率。該處主要負責管理之放款包括外國金融機構對大宇企業之貸款、大宇企業透過其海外分公司向國外金融機構取得之貸款、其他向漢城銀行及韓國第一銀行取得之外國貸款等。

3.一般放款管理部

(1)一般放款管理處

負責管理 KAMCO 收購之一般擔保放款，並藉由查核放款文件及評估擔保資產與市價等方式進行可行性分析，倘判定借款企業尚可存活，則該處會採取消或延後拍賣或其他法律措施，以穩定就業率並提高處理價格。

(2)重整企業放款管理處

藉由執行對問題企業所提出之重整計畫或和議程序之表決權之方式，協助支付不能企業之正常化，並依據援助計畫之分析與查核結果，判定該等企業復甦之可能性。該處並負責處理已進入法院重整或和議程序之問題企業放款。

(3)無擔保放款催收處

負責催收向金融機構收購之無擔保放款、逾期之信用卡放款、擔保品已出售之餘值放款(residual loans)等。即該處先以公平合理之條件提供債務人自願償債之機會，倘否，則再採強制處理債務人財產之方式進行催討。

4.國際業務部

(1)國際業務處

負責研究蒐集資訊、與全球 NPL 處理機構合作，以及為 KAMCO 之海外業務建立公共關係。故該處會與海外 NPL 處理機構交換資訊、開發與進行員工訓練課程、透過銷售 NPL 處理技巧之方式增加收入、研究外國NPL市場、以及向國際投資人推展KAMCO業務與角色並提高其地位，以吸引海外投資人。

⑵海外事業處

以 KAMCO 處理 NPL 之經驗與技術為基礎，進軍海外 NPL 市場。該處已成功行銷 KAMCO 經驗並成為中國大陸、越南等國之諮詢機構，並被亞洲開發銀行列入 NPL 處理計畫之諮詢機構名單。故該處之主要業務包括 NPL 之諮詢與銷售，以及擴展資產管理與投資等。

5.不動產信託服務部

⑴不動產信託服務處

負責處理已被移轉至 KAMCO 之擔保放款、無擔保放款及特別放款。其中擔保放款部分，會透過法院拍賣方式出售擔保資產，倘無人承購，則以信用標(credit bid)方式將該資產移轉至 KAMCO，並再以公開拍賣(public auction)方式標售。此外，該處尚負責處理金融機構持有之非營業用不動產及公開發行公司之公開銷售，以及其他如權利移轉等相關事宜。

⑵滯稅財產管理服務處

負責處理國稅或地方稅機構委託之沒入資產(seized property)之公開拍賣。該項業務係依國稅催收法(National Tax Collection Act)辦理，代理政府執行公權力以回收滯繳稅款。

⑶不動產業務處

負責處理催收購入資產、承受擔保品(Real Estate Owned, REO)及移由 KAMCO 管理之資產。該處透過舉辦不動產說明會之方式以加速處理，並採用積極之行銷手法(如提供不動產資訊與顧客服務)。此外，該處亦辦理資產開發、擔任問題企業持有資產

之處理仲介、提供問題企業管理正常化諮詢服務、就不動產相關領域進行研究等工作。

(4)政府財產管理服務處

受政府委託處理政府持有之財產，包括不動產、流通性有價證券及具管理目的之資產。倘任何人欲使用政府財產，應向 KAMCO 進行及完成標購，並於簽署放款合約後使用之。

6.其他業務支援部門

(1)內部稽核處

負責對每一部門之工作進行全面或部分查核，並提出改善建議或糾正措施，以及對不當或不法行為進行懲戒，以提昇業務效能與制度之透明。另並負責對民事問題(civil problem)之定期或不定期查核。

(2)企劃處

負責擬訂 KAMCO 之管理策略、中長期計畫及整體業務計畫與預算、擬訂 NPL 基金管理計畫，另並負責管理創新、管理評估及其他風險管理計畫，以及與國會及政府之協調業務。

(3)法務室

負責研究與 KAMCO 業務相關之法律問題、設立業務內規及工作規則、訂定及管理契約、就整體法律問題提供諮詢等。

(4)訴訟處

負責所有與 KAMCO 相關之法律訴訟案。主要包括向金融機構購入放款之展期、KAMCO 與債務人或其他債權人之爭議等。

(5)知識管理與資訊處

負責研究金融、不動產及 NPL 市場。 該處負責檢視整體知識管理系統，以提昇競爭力與內部創新，另並建立電子市場(e-market place)以拓展網際網路相關業務。

三、主要業務

KAMCO 的主要業務可分為幾大類，第一類為屬於金融重整(Financial Restructuring)的業務，包括負責管理運用不良債權處理基金、收購並處理金融機構之不良資產及管理特殊目的工具(Special Purpose Vehicle, SPV)資產；第二類則為企業重整(Corporate Restructuring)業務，包括管理並安排重整企業資產之買賣、辦理問題企業之營運分析並提供業務諮詢(包含安排合併交易)。至於其他業務則包括：開發並改良購入之不動產，並提供不動產證券信託專業諮詢，辦理因滯納國稅或地方稅而遭政府沒入資產之公開拍賣事宜，清理問題國營企業及處理國有財產，負責不動產資訊中心之運作，以及管理專責不動產業務之子公司等。

KAMCO 為有效執行其任務，爰擬訂下列政策原則：㈠迅速處理不良資產、㈡資產回收最大化、㈢有效管理資產、㈣程序透明化、㈤引進先進處理技術及㈥處理成本最小化，在該等原則之落實下，使其業務之執行成效甚佳。

四、資金來源

㈠ KAMCO 部分(附表四)

1. 資本

KAMCO 之法定資本額為一兆韓圜，截至 2002 年 9 月底，授權資本(authorized capital)為 8 億美元、實收資本為 112 百萬美元，其中政府占 42.8%、韓國開發銀行占 28.6%、其餘由國內其他金融機構出資，占 28.6%。

2.發債

依法 KAMCO 得發行債券(debentures)，惟額度不得超過實收資本、法定準備(legal reserves)及業務擴充準備(business expansion reserves)合計數之 10 倍；政府得對 KAMCO 發行之債券提供保證，該經政府保證發行之債券免計入前項 10 倍範圍內。

3.借款

KAMCO 為辦理其業務，得向國內外金融機構或其他機構借款。

附表四　KAMCO 之主要資金來源與投資限制

資金來源	投資限制
• 資本 • 發行 KAMCO 債券 • 向國內外金融機構或其他機構借款	• 存放於金融機構。 • 購買政府債券。 • 購買由政府或金融機構保證本金之有價證券。 • 其他經管理委員會同意之投資項目。

㈡ NPL 管理基金部分(附表五)

KAMCO 資金與 NPL 管理基金之帳務獨立，NPL 管理基金五年期限屆滿時，如有剩餘資產，應依金融機構捐贈比率及自 KAMCO 轉入資金之狀況退還之。依法 NPL 管理基金之資金來源包括下述七類：

1.金融機構捐款(捐款金額主要參酌各機構之不良放款比

率)。

2.由 KAMCO 轉入之資金。

3.政府挹注。

4.發行 NPL 管理基金債券，該債券得由政府提供保證，相關費用由 NPL 管理基金支付。

5.韓國央行融資。

6.向央行以外對象借款。

7.基金運用收益及其他收入。

截至 2002 年 9 月底，NPL 管理基金餘額為 17,258 百萬美元，其中金融機構捐款為 458 百萬美元(2.7%)、韓國開發銀行借款為 400 百萬美元(2.3%)，另發行 NPL 管理基金債券 16,400 百萬美元(95%)。

附表五　NPL 管理基金之資金來源與用途

資金來源	資金用途
• 金融機構捐款 • 由 KAMCO 轉入之資金 • 政府挹注 • 發行不良債權處理基金債券 • 韓國央行融資 • 向央行以外對象借款 • 基金運用收益及其他收入	• 購買金融機構不良資產及問題企業資產，但前者之金額應大於後者 • 償還借款本息 • 償還不良債權處理基金債券本息 • 依法執行業務時所需借出之款項 • 必要之營運費用

貳、不良資產之收購

KAMCO 之主要功能，即為投入公共資金以收購及處理金融機構之不良資產，透過加速金融重建之方式，協助金融機構迅速恢復其中介功能，進而提昇金融效率、改善金融競爭力及安定金融秩序。KAMCO 對 NPL 之收購，係以金融機構之資本適足率(BIS ratio)為基礎，倘金融機構 BIS 比率低於 8%者，則強制收購其所有 NPL；倘高於 8%者，則可由金融機構自行決定是否將其半數之 NPL 售予 KAMCO。此外，KAMCO 會配合政府之金融改革計畫，決定 NPL 收購之時間、規模、方式與價格，並在客觀、公平與透明之原則之下，以「市價」進行收購。惟在 1997 年金融危機發生後 KAMCO 進行收購初期，由於待收購之 NPL 金額龐大，且當時韓國尚無 NPL 市場，為迅速執行其法上所賦與之任務，並期同時提高銀行之償債能力與流動性，故當時 KAMCO 訂定收購價格時，未能全然依據上開原則辦理，而採較高之價格進行收購。然自 1998 年 9 月起，KAMCO 改採較高之折扣定價收購，以反映不良資產之真實價值[1]。KAMCO 會參酌過去交易案例、最近三個月法院拍賣之平均價格及合格鑑價師之鑑價，作為決定收購價格之基礎，另就擔保品之價格波動狀況予以調整。倘定價確有困難，為加速收購，依法 KAMCO 得於契約中訂定事後結算條款(ex post facto settlement condition)。茲就各項收購細節分述如后。

一、收購流程(附圖四)

㈠金融機構依 KAMCO 法(第 4-1 條)之規定，要求 KAMCO

[1] 1998 年 9 月之後，KAMCO 對擔保放款之收購價格自原來的擔保價值之 70%-75%，降為 45%。無擔保放款部分，原本收回困難(doubtful loans)及收回無望(estimated loss)之放款係分別以面額之 10%-20%及 1%-3%收購，其後則改以本金餘額的 3%之價格收購。詳細內容請見本文「收購價格」乙節。

收購不良資產。

㈡草擬收購 NPL 之計畫

1.與相關機構協商收購條件

2.蒐集收購相關資訊

㈢決定收購之放款

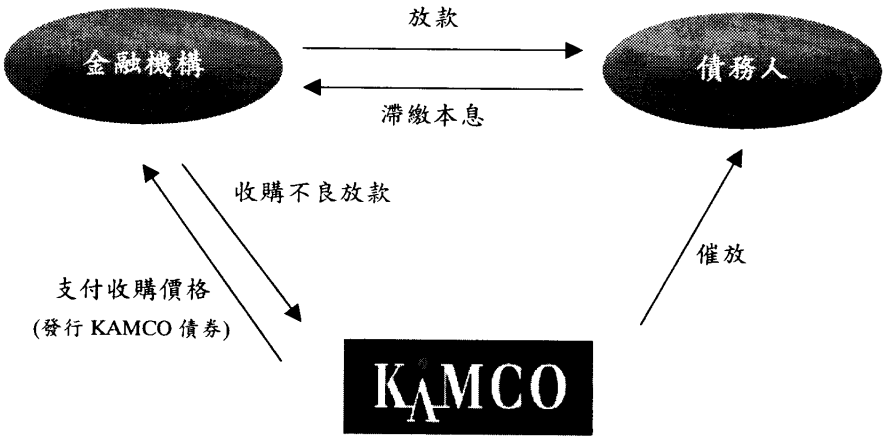
㈣與金融機構簽約(施行細則第 3 條、第 4 條)

1.以 NPL 管理基金債券或現金(施行細則第 7 條)，支付收購款及取得授信相關文件證明

2.移轉抵押權

3.授信與標的之保全

附圖四　不良資產收購流程



二、收購資產之條件

KAMCO 收購之不良債權，需為抵押權及其移轉依法得以執行者。KAMCO 法第 2 條及施行細則第 2-2 條及第 4 條對不良債權及其收購之定義有明確規範，其收購之不良債權涵蓋不良放款(non-performing loans, NPLs)、非營運資

產(non-operational assets, NOAs)，以及有支付不能之虞且正進行自救計畫之問題企業資產(assets subject to self-rescue plans of enterprises showing signs of insolvency)。其中非營運資產之範圍包括：

㈠金融機構為抵償放款而取得之資產。

㈡依 KAMCO 法施行細則之規定，金融機構為金融重建及企業正常化目的而欲出售之資產，包括因併購或處置金融機構取得之非營業用資產，以及依立即糾正措施而須處理之資產等。

㈢依企業稅法(Corporate Tax Act)、地方稅法(Local Tax Act)及其他法令規定屬非營運資產者。

三、收購資產之分類

㈠一般不良放款(ordinary loans)

1.一般擔保放款：指具有足額擔保品之放款。前述擔保品包括不動產、存款及書面保證等，其中不動產之擔保品價值為鑑價(或首次拍賣價)扣除前順位抵押權。

2.一般無擔保放款：指擔保不足之放款。

㈡重整企業放款(restructured corporate loans)

指進行法院重整(reorganization)或和議(composition)程序之企業放款(無論是否具擔保)。

㈢正常化企業放款(work-out loans)

指依企業結構調整促進法規定，由債權人同意進行正常化計畫之問題企業放款，本類放款包括大宇企業放款。

四、收購價格

KAMCO 對不良資產之訂價分為二個階段，其中第一

階段為 1998 年 9 月前，採「統一收購，個別結算」法(formula of blanket purchase on the condition of an ex post facto settlement)方式辦理，第二階段為 1998 年 9 月後，改採「定價收購」法(fixed purchase formula)辦理。惟所謂之定價收購，係指 KAMCO 經參酌過去交易案例、最近三個月法院拍賣之平均價格及合格鑑價師之鑑價，所訂定出之市價，而非固定價格。至於 KAMCO 之付款方式，1998 年之前係支付 30%之現金及 70%之 KAMCO 債券，1998 年後則全數以 KAMCO 債券支付之。

㈠統一收購、個別結算法：

為儘速挹注金融機構流動性，KAMCO 先依概算比率所計算之價格進行大批收購，事後再視不良資產處理情形辦理個別結算。概算比率主要依下列原則訂定：

1. 一般不良放款：參酌銀行監理機關對銀行授信損失提列備抵呆帳之比率為基礎訂之(可望收回 substandard 之損失率為 20%；收回困難 doubtful 之損失率為 75%；收回無望之損失率為 100%)；綜合金融公司則比照銀行。
2. 重整企業放款：依集團中之主要企業(leading company)之股價為基礎，期同時反映淨資產價值與市價。一般而言，擔保放款係依各該類企業之付款比率(payment ratio)折現估算，無擔保放款則依貼現值之 45%計算並考量股價趨勢(以 8%作為貼現率)後訂之。

政府及 KAMCO 早期於訂定概算收購比率時，較一般認定之潛在市價為高，主要係為避免金融危機惡化及加速金融重建。嗣為擴大收購 NPLs 並強化基金之健

全，KAMCO 爰調整收購比率 (1997 年及 1998 年之概算比率表詳附表六、七)。

附表六　統一收購，個別結算法－一般不良放款收購價格概算比率表

類　　別	一般不良放款收購價格概算比率	
	1997	1998
可望收回	有效擔保價值之75%[1]	70%
收回困難	帳面價格之20%	10%
收回無望	帳面價格之3%[2]	1%

註 1：有效擔保價值(valid collateral value)：擔保品最低鑑價(appraisal value)－優先留置權，or 面額(face amount)，or 最大抵押值(maximum collateral amount)

註 2：收回無望放款(estimated loss credit)之收購價格原應為 0%，惟大批收購時以 3%計價，主要係參考銀行監理局(Bank Supervisory Service)1998 年對應予觀察放款(special mention loans)之回收比率(每年平均催收比率 0.34% x 3 年 x 300%之權數)訂之。

附表七　統一收購，個別結算法－重整企業放款收購價格概算比率表

年度	類　　別	銀行		綜合金融公司
		擔保	無擔保	
1997	A類(股價逾面額)	75%	60%	70%
	B類(股價逾面額之50%)	75%	45%	60%
	C類(股價低於面額之50%)	75%	30%	50%

年度	類　　別	銀行		綜合金融公司
		擔保	無擔保	
1998	A類(股價逾面額)	70%	40%	-
	B類(股價逾面額之50%)	70%	30%	-
	C類(股價低於面額之50%)	70%	20%	-

至於個別結算部分，則依下列原則計算之：

1.一般放款(擔保)：

- 收購價=基本價+折現價
- 基本價=鑑價 x 全國平均標售比率[2]– (優先留置權+拍賣成本+擔保品管理費用)
  (另得依 KAMCO 與金融機構協議，於基本價 10%範圍內調整)
- 折現價= (有效擔保品價格-基本價)x3%

2.一般放款(無擔保)：放款面額之 1%

3.重整企業放款：

- 收購價=法院核定之可支付本息(repayable principal and interest) x 貼現率
  (倘和議或重整程序遭取銷，則由出售銀行保證本息之支付)
- 貼現率：基本貼現率(第一類全國住宅債券於次級市場之平均收益率)+信用風險差點(spread)+到期

[2] 全國平均標售比率原係依合約經濟日報(Contract Economic News)所編纂之過去三年之平均標售比率表(Average Bid Ratio Table)，該表係將將擔保品劃分為 24 個用途及 242 個區域。KAMCO 管理委員會對個別結算之案件，自 1998 年 4 月 16 日第五次會議之後，改採過去三個月之平均標售比率；倘無過去三個月參考價格，則改採六個月；倘無六個月，則以合約經濟日報所編纂之過去二年之平均標售比率表之全國平均標售價格，扣除過去三個月之全國平均標售價格之波動範圍(range of fluctuation)後，作為參考價格。

日風險差點

- 倘金融機構出售之不良企業放款尚未正式獲法院判決重整，但因破產、歇業等原因確定將關閉，則依據 KAMCO 管理委員會 1998 年 1 月 21 日之決議，其個別結算之計算方式如下：
  - 擔保放款：有效擔保價值之 28.2%
    (以十年寬限期作為折現期間、期間內分期給付，年折現率為 13.51%，其中折現率係依 1997 年 11 月 29 日 KAMCO 債券之發債利率 11.95% 加上 1.56%之收購費用率得之)
  - 無擔保放款：1998 年 2 月 4 日前參酌預估放款損失率訂定；其後採本金餘額之 1%計算。
  - KAMCO 管理委員會為辦理金額達 3 兆韓圜經法院核准重整企業放款之個別結算，特於 1998 年 6 月 24 日會議中，訂定出「重整企業放款個別結算貼現率」(附表八)，嗣為提高收購價格以協助金融機構，爰於 1998 年 9 月 28 日降低該貼現率(附表九)。

附表八　重整企業放款個別結算貼現率—1998 年 6 月 24 日

基本貼現率	信用風險差點	到期風險差點	合　　計
13.64%	1.5-6.0%	0-3%	15.14-22.64%

附表九　重整企業放款個別結算貼現率－1998 年 9 月 28 日

類別	基本貼現率	信用風險差點	到期日風險差點	適用對象
A 類	第一類全國住宅債券收益率	0.5%	1-3%	政府經營銀行、BIS 比率逾 8%之銀行
B 類		1.5%		其他銀行、LG 綜合金融公司、Hankook 綜合金融公司
C 類		2.5%		其他綜合金融公司及保證保險公司

㈡定價收購法：

KAMCO 經考量舊有訂價方式於實際處理時，時效上並不經濟，並為促進會計揭露及反應 NPL 市價，爰參酌過去幾年之處理經驗設計其內部訂價模型，並據以計算最適當之收購價格，改依放款類型(分為一般不良放款及重整企業不良放款)採定價收購法辦理。其收購比率詳附表十。

附表十　定價收購法收購價格表

分　類	收　購　比　率
擔保放款	• 依據法院拍賣平均得標率(視擔保品之所在地及種類)決定收購價格 • (鑑價 x 平均得標率) – (優先債權+擔保權執行費用+擔保品管理費用)
無擔保放款	• 依過去回收率來訂定 • 帳面價值 x 1~3%
重整企業放款(特別債權)	• 反映法院核准企業重整債務之現金流量 • 現金流量以現值法(Discounted Cash Flow)折算 • 折扣率 = (國債利率 + 信用風險差點 + 到期風險差點)

五、收購情形

截至 2002 年 5 月底止，KAMCO 收購的不良放款面額達 810.4 億美元，收購價格為 309.7 億美元(附表十一、十二)，其中六成以上是來自商業銀行(附表十三)，可見 KAMCO 在整個韓國銀行重建中，擔任非常重要的角色。倘就各年度觀之，1997 年金融危機發生並於 11 月改制 KAMCO 後，1998 年為第一個收購高峰。嗣 1999 年韓國政府實施嚴格之放款分類標準－遠期觀測標準(Forward Looking Criteria, FLC)，加上大宇企業危機及景氣趨緩等因素影響，使整體金融機構逾放比率再度攀升，爰 2000 年 KAMCO 達到另一收購高峰(附圖五、六)。

附表十一　不良資產收購情形－依放款別

(1997 年 11 月 ~2002 月 5 月 31 日)　　單位：十億美元

放款類別	面額	收購價格	收購價格比
一般不良放款	23.73	7.29	30.72%
重整企業放款	32.83	13.55	41.31%
正常化企業放款	0.04	0.01	13.21%
大宇企業放款	24.45	10.12	41.39%
合　　計	81.04	30.97	38.22%

附表十二　大宇企業放款收購情形

(2002 月 5 月 31 日)　　單位：十億美元

放款類別	面額	收購價格	收購價格比
擔保放款	3.66	2.81	76.67%
無擔保放款	20.79	7.31	35.18%
合　　計	24.45	10.12	41.39%

註：KAMCO 已自大宇集團 12 個關係企業中收購達 50%之該集團放款。

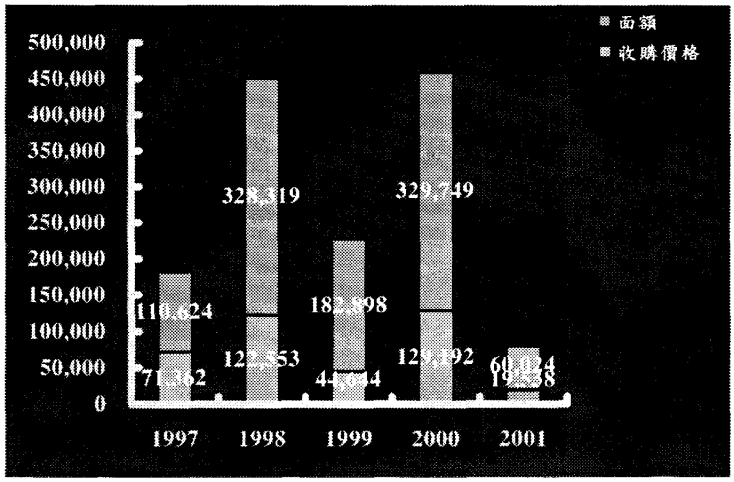
附表十三　不良資產收購情形－依機構別

(1997 年 11 月 ~2002 月 5 月 31 日)　　單位：十億美元

機構類別	面額	收購價格	收購價格比
商業銀行	48.87	19.56	40.03%
綜合金融公司	2.76	1.30	46.98%
保險公司	5.84	1.45	24.78%
投資信託公司	17.16	6.58	38.33%
外國金融機構	4.27	1.81	42.4%
其　　他	2.14	0.27	12.88%
合　　計	81.04	30.97	38.22%

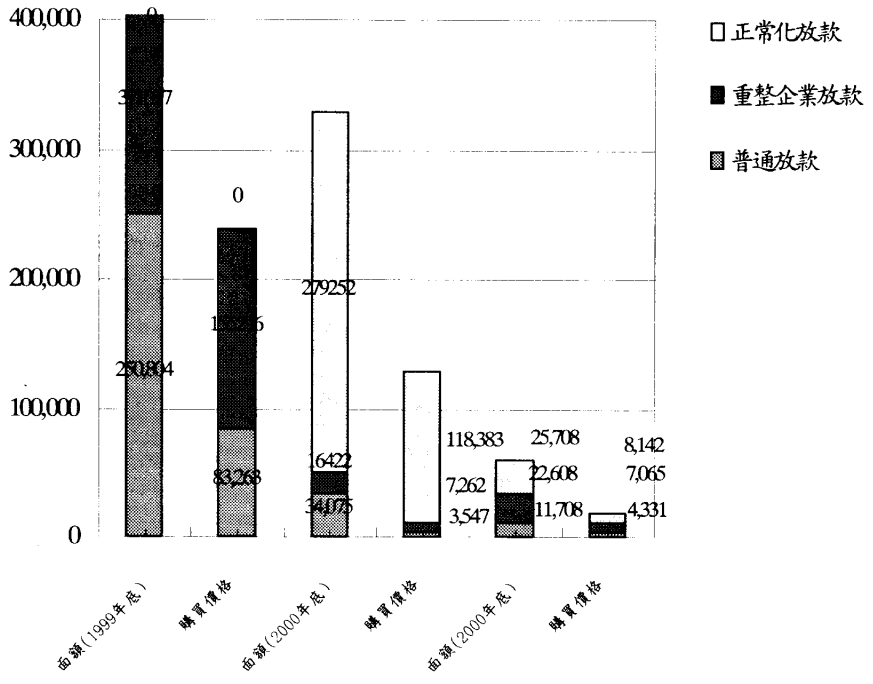
附圖五　歷年不良資產收購情形－依收購價格別

單位：億韓圜



附圖六　歷年不良資產收購情形－依放款類別

單位：億韓圜



參、不良資產之處理

KAMCO 在接下處理全國金融機構 NPL 任務之初期，遇到很多困難，包括當時其資本市場之發展並不健全、缺乏不良放款市場的雛型與市場需求，加上欠缺先進的處理技術及專業人才，且須面對鉅額不良放款，因此，為克服上開障礙，俾加速不良資產之處理，韓國採取之策略為「政府發動」，期由政府之積極主導，建立不良放款市場相關環境及處理機制，嗣運作上軌道之後，再逐漸導入市場機能。並將迅速處理、利潤極大化及提高資產價值作為其處

理原則；而其處理政策則為有效率之管理、處理程序透明化及交易公平。

KAMCO 於收購 NPL 後，會先依資產之特性、種類與規模加以分類，再交由細分之資產管理部門，由資產管理專家進行管理。另並透過資產綜合審查，就法律與經濟角度進行風險分析，並對個案進行文件現場調查。此外，為使上開作業得以順利運作，KAMCO 以鉅資設置先進之資訊系統，涵蓋資產管理、評價、風險管理及處理對策等各項支援功能。至於 KAMCO 處理不良資產之策略分為出售、重整計劃、協議計畫及合夥企業等四大類，並依不良資產之性質決定最適之處理模式。以下謹就各項處理技巧之重點分述之。

一、處理策略(附圖七)

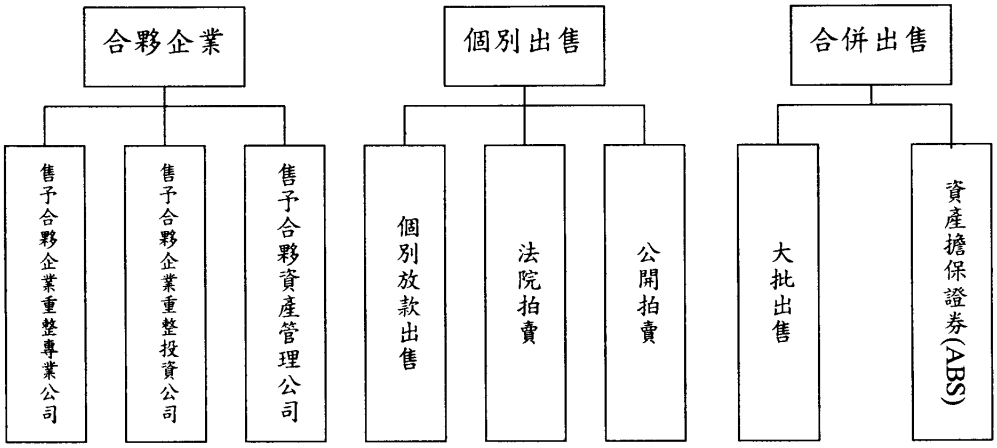
㈠資產出售：包括大批標售、資產證券化(Asset-backed Securities)、公開拍賣、法院拍賣、個別放款出售等。

㈡重整計畫：包括暫緩法律措施(legal action)、暫緩行使抵押權(foreclosure)、借出營運資金、債務重整計畫、以債換股、提供付款保證、購買貼現票據或商業本票等。

㈢協議計畫：包括折價攤還(discount outstanding balance)、降低利率、放款展延等。

㈣合夥企業(Joint Venture)：包括成立企業重整專業公司(Corporate Restructuring Company, CRC)、企業重整投資公司(Corporate Restructuring Company, CRV)及資產管理公司(Asset Management Company, AMC)。

附圖七　KAMCO 不良資產處理策略



二、處理方式

㈠發行資產擔保證券(Asset-Backed Securities, ABS)

KAMCO 發行之 ABS，係透過將資產持有人之非流動性資產(如房地產)建置投資組合後，以該資產為基礎在資本市場上發行有價證券。其交易須將資產透過特殊目的之紙上公司(Special Purpose Company, SPC)，發行 ABS 售予投資人，投資人側重資產之收益率(coupon rate)及有價證券之安全性。

KAMCO 將資產移轉予 SPC，SPC 以該資產為擔保發行 ABS，並將出售所得支付 KAMCO。該等資產法律及會計上視同實際賣斷，即投資人購買 ABS 後，對 KAMCO 無追索權，故投資人是否獲利(虧損)，須視票面利率(coupon rate)及本金之回收率，與 KAMCO 已無關。因此，發行 ABS 一般需辦理實地查證、資產評估、ABS 信用評等及信用強化措施等(交易結構詳附圖八)。ABS 之發行主要適用於擔保品可移轉、現金流量可預估之資產且債務人債信較佳之資產。一般而言，ABS 之型態包括債券(支付本息)、投資憑證(分配收益)及股權(發放股利)等

。以發行 ABS 方式處理之優缺點如下：

1.優點：

(1)可快速處理取得流動性。

(2)藉由稅負優惠降低融資成本。

(3)透過先進之融資方式改善財務結構。

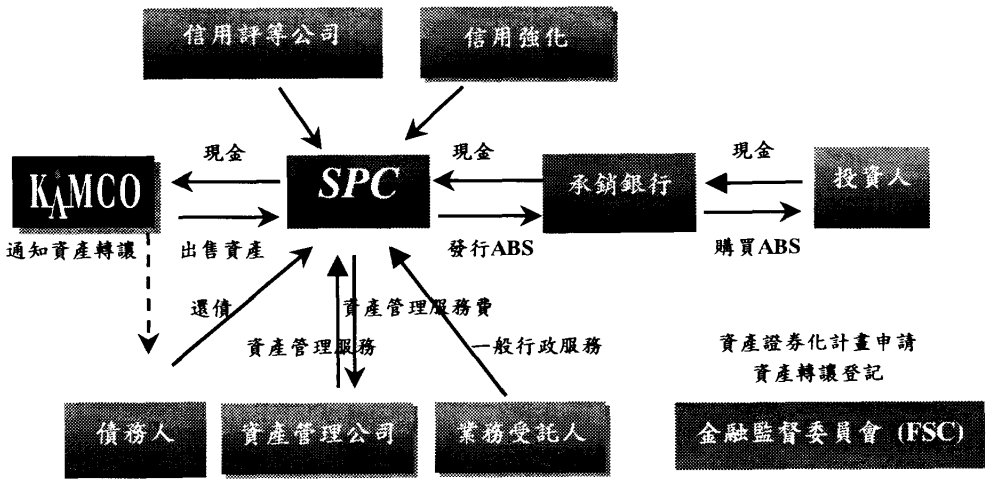
(4)風險分散及擴大投資者階層。

2.缺點：

(1)交易結構複雜且發行成本高。

(2)實地查證程序複雜費時。

附圖八　發行 ABS 交易結構



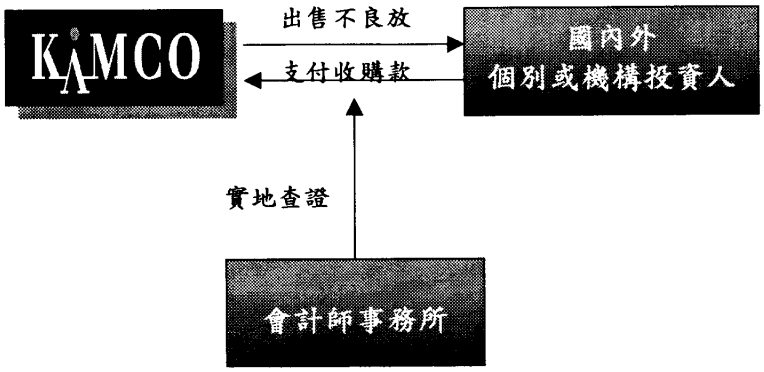
㈡大批出售(Bulk Sale)或國際投標(International Bidding)

指資產直接或透過 SPC 售予第三人，該買受人側重債務人之未來狀況與擔保品價值(交易結構詳附圖九)。其優缺點如下：

1.優點：欠佳資產可同時賣斷、快速取得資金、公開公平競標可提高售價。

2.缺點：即使未來有利潤 KAMCO 亦無法分享。

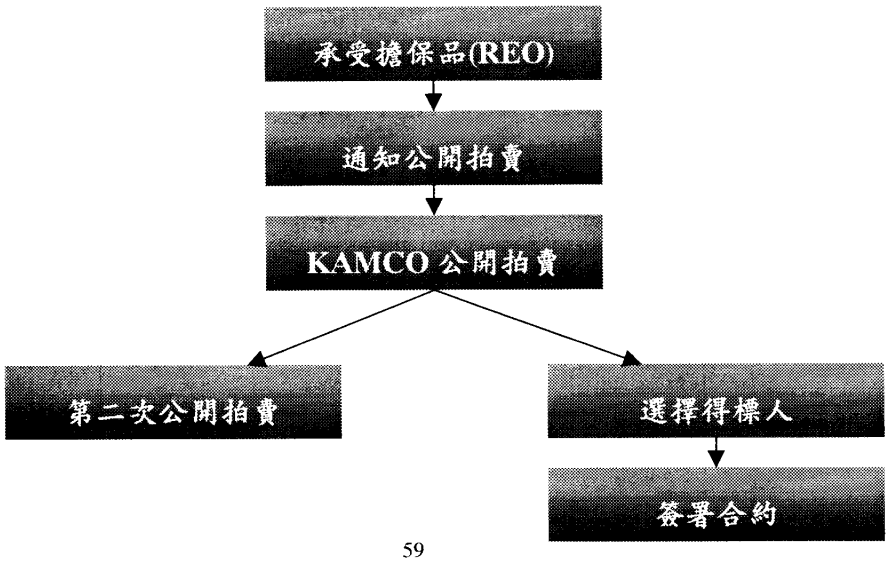
附圖九　大批出售交易結構



㈢公開拍賣(Public Auction)

公開拍賣係指透過公開競標，讓出價最高者得標之處理方式。其優點包括資訊公開、可提供額外資訊與諮詢、購買容易、KAMCO 已完成所有法律程序(較法院拍賣不動產為佳)、免購買稅(acquisition tax)及登記稅(registration tax)、可分期付款、付款達 50%可移轉所有權等(其中稅負優惠自 2000 年起已取銷)，其交易流程與發行結構詳附圖十。KAMCO 採取公開拍賣方式處理之 NPL，僅限於所有權已移轉予 KAMCO 者。

附圖十　公開拍賣交易結構



㈣個別放款出售(Individual Loan Sale)

自 2000 年起，KAMCO 引進個別放款出售之方式，本方式較可保留個別放款之價值，適用於重整企業放款(以保留其資產、商譽及管理權等價值)。適宜採用本方式處理之放款條件如下：

1.管理權可控制之企業。

2.知名度高但處於流動性危機之企業。

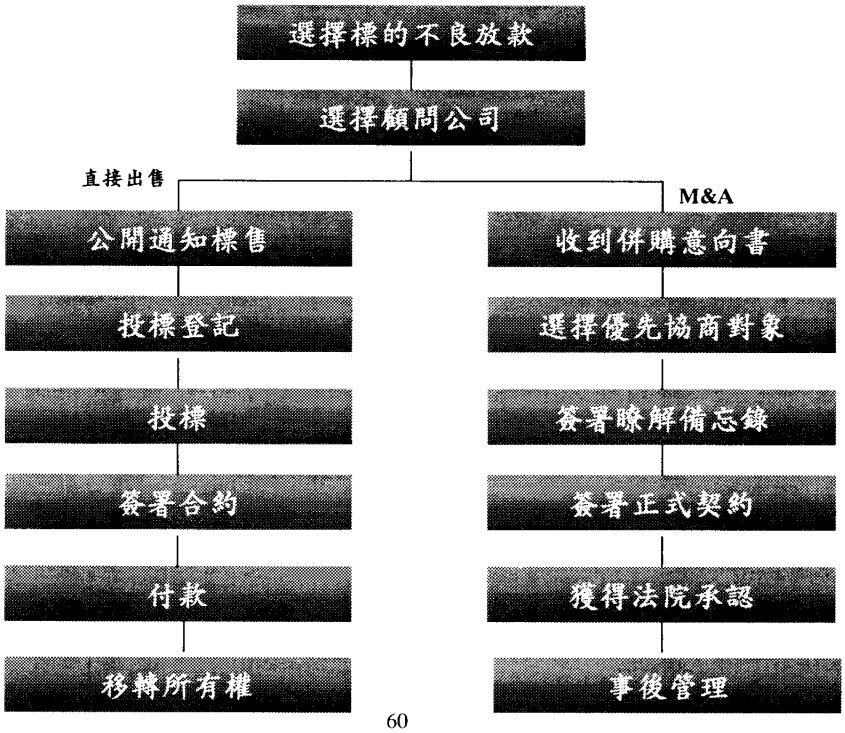
3.目前雖然經營欠佳，但仍具有部分競爭力，倘第三人收購將可望復甦之企業。

4.投資人明確表達收購意願之企業。

5.KAMCO 為最大債權人之企業，使第三人進行合併與承受(M&A)時，亦可成為最大股東並取得經營權。

個別放款出售一般可透過直接出售或合併與承受方式處理，其交易結構詳附圖十一。

附圖十一　個別放款出售交易結構



㈤合夥資產管理公司(Joint Venture AMC)

以下所談之三種處理方式，合夥資產管理公司、合夥企業重整專業公司及合夥企業重整投資公司，皆屬股權合夥交易(Equity Partnership)之方式。主要係透過與國外的投資銀行或資產管理公司合作，導入國外先進之處理技術，俾透過專業的機構協助提高資產價值，並可把專才帶入韓國市場。茲就其交易結構分述如下：

1.合夥資產管理公司(JV AMC)交易結構

JV AMC 係 KAMCO 與外國機構共組，資本額至少 10 億韓圜，該外國機構需符合一定資格條件，同時亦鼓勵韓國之國內投資人共同參與。設立 JV AMC 之主要目的，在透過合作取得先進之資產管理技巧，進而提高回收率。

在成立 JV AMC 之前，KAMCO 會先就特定不良資產，對合格之投資人進行國際投標(限制性競標)，並由投標價格最高者得標。其後依資產擔保證券化法(Act on Asset Backed Securitization)，KAMCO 將資產轉入特殊目的公司(SPC)及享有減稅優惠，並與得標投資人組成持股比率各半之合夥交易結構。另成立 JV AMC，代表 SPC 管理及催收放款，其實收資本由 KAMCO 與投資人以 35%(有限合夥人)及 65%(一般合夥人)之出資比率出資，並僱用一定人數之 KAMCO 員工，該公司(JV AMC)於辦理相關資產管理與催收服務時，係依佣金基礎(commission basis)收費。JV AMC 及 SPC 之利潤由 KAMCO 與合夥投資人比例分享，但合夥投資人具有 JV AMC 之管理權(交易結構詳附圖十二)。

2.JV AMC 之優、缺點：

(1)優點：

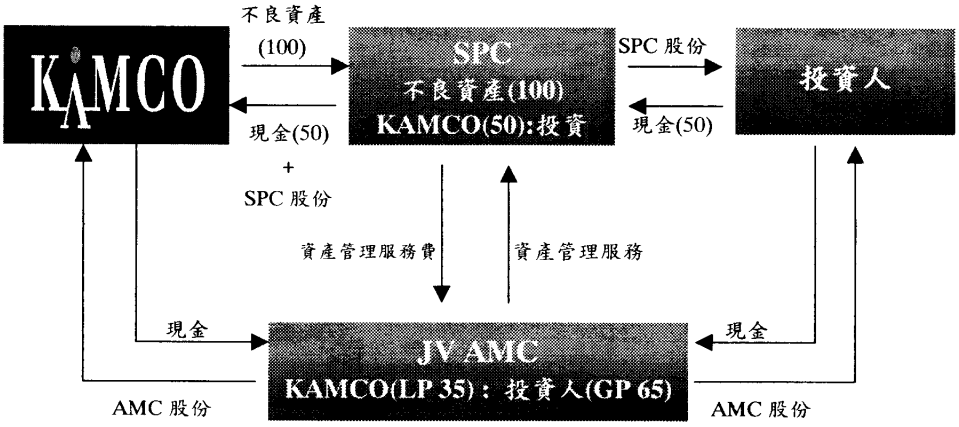
①合夥設計提供一般合夥人(General Partner, GP，即合夥投資人) 財務誘因，可提高資產管理收益並降低處理時間，進而使 KAMCO 分享未來資產價格上升之利潤。

② KAMCO 免獨自負擔處理或催收之費用。此外，由於 GP 必須取得獨立會計師之年度簽證，故財務報表可信度無虞。

③將部分不良資產移由合夥公司處理後，KAMCO 不僅可移轉持有該等資產之風險，其職員亦可全力投入處理其他不良資產。

(2)缺點：KAMCO 身為有限合夥人(Limited Partner, LP)，雖可覆審 GP 之營業計畫並提出建議，但最終仍須同意 GP 之決策。因此，倘 GP 訂定連串之錯誤決策並危及經營時，KAMCO 之風險亦提高。

附圖十二　合夥資產管理公司交易結構



㈥合夥企業重整專業公司(Joint Venture CRC)

1997 年之金融危機，迫使韓國政府正視問題企業之處理，並於工業開發法(Industry Development Law)中明定 JV CRC 之相關規定，作為解決之工具之一。KAMCO 藉由亞洲開發銀行之金融部門計畫放款(Financial Sector Program Loan, FSPL)之貸款計五億美元，加上國外投資人、韓國財經部與金融監理委員會之五億美元，合計十億美元用以設立 JV CRC，期透過與合夥投資人之合作，使問題企業資產之回收率得以最大化。JV CRC 之業務重點包括：透過收購股份或併購(M&A)之方式取得問題企業、對收購之不良企業進行結構調整及出售、提供問題企業資金及進行資產(如不動產、設備)收購等。茲就 JV CRC 交易相關規定及結構分述如后。

1.主要規定

⑴ JV CRC 係公司法之股份公司。

⑵投資標的：重整企業之收購、管理及出售、購買重整企業之資產(含不動產)、購買金融機構與 KAMCO 持有之不良放款(NPLs)、在企業重整、和議、清算及中介合併中扮演積極角色。一般而言，JV CRC 之投資標的以中小企業為主。

⑶投資限制：對單一企業之投資不得超過實收資本之 20%、融資總額不得超過實收資本之 200%、投資須先經 KAMCO 執行董事之核准。

2.交易結構

JV CRC 之設立主要係基於加速企業重整及稅負優惠之考量，每家 JV CRC 設有董事 5 人，其中 1 人由 KAMCO 指派、4 人由管理公司指派。目前成立的 3 家 JV CRC ，

每家均由 KAMCO 及外國投資人(Sonnenblick Goldman, Lehman Brothers, Morgan Stanley)以 50%比 50%之比率共同投資 1,500 萬韓圜，其中 JV CRC 之合夥投資人具有管理權以確保運作之獨立性，其投資策略則係以基金管理公司(Fund Management Company, FMC)擬訂之投資決策為基礎，並於 KAMCO 同意後執行。JV CRC 之實際營運係委由上開基金管理公司辦理，該公司並會就資金管理擬訂投資決策，KAMCO 在每家 FMC 約派駐五名員工以學習先進之處理技術。JV CRC 交易結構如下(交易結構與流程詳附圖十三)：

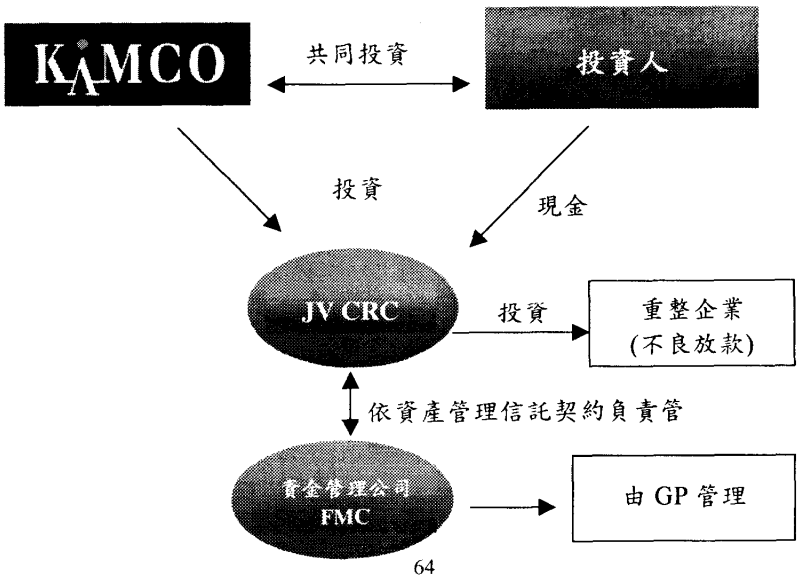
(1) KAMCO 與投資人各投資 50%之資金，並取得 JV CRC 之股票及債券。

(2) JV CRC 依資金管理公司之決定之策略進行投資。

(3)資金管理公司負責經營 JV CRC 並執行資金管理決策。

(4) JV CRC 之利潤於扣除費用後，由 KAMCO 與投資人對分。

附圖十三　合夥企業重整專業公司交易結構



3.JV CRC 之優、缺點：

(1)優點：

①促進問題企業經營正常化，進而提昇整體產業經濟之競爭力。

②合夥設計提供一般合夥人(General Partner, GP，即合夥投資人) 財務誘因，可提高資產管理收益並降低處理時間，進而使 KAMCO 分享未來資產價格上升之利潤。

③ KAMCO 免獨自負擔處理或催收之費用。此外，由於 GP 必須取得獨立會計師之年度簽證，故財務報表可信度無虞。

④將部分不良資產移由合夥公司處理後，KAMCO 之職員可全力投入處理其他不良資產。

(2)缺點：KAMCO 身為有限合夥人(Limited Partner, LP)，雖可覆審 GP 之營業計畫並提出建議，但最終仍須同意 GP 之決策。因此，倘 GP 訂定連串之錯誤決策並危及經營時，KAMCO 之風險亦提高。

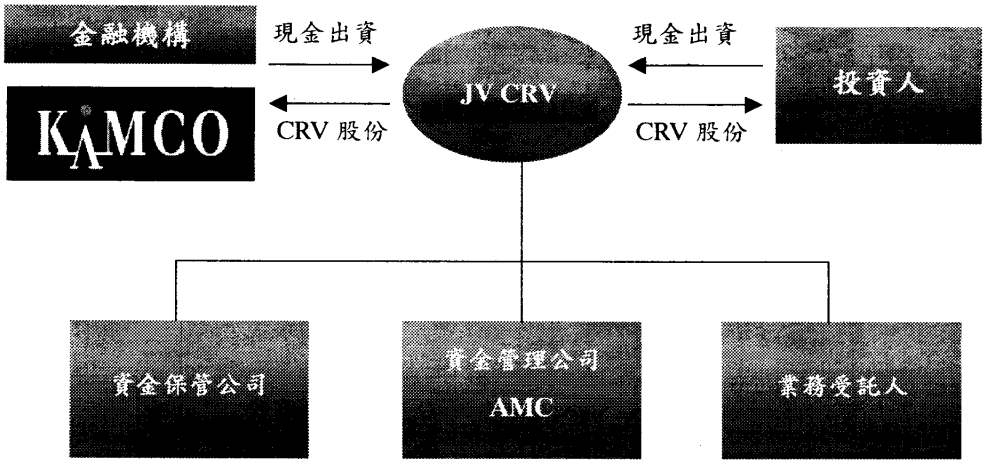
㈦合夥企業重整投資公司(Joint Venture CRV)

除 JV CRC 之外，韓國政府另於 2000 年 10 月通過了合夥企業重整投資公司法，建立了另一種企業重整之工具。JV CRV 雖亦屬股權合夥交易之一種，惟不同於 JV CRC 之實體公司組織及資金來自亞洲開發銀行，JV CRV 則係基金型態之紙上公司、資金來自於世界銀行，主要投資對象為對國家經濟具舉足輕重且需債權金融機構拯救之大型企業。JV CRV 透過收購正在進行正常化計畫之問題企業(workout companies)不良放款，以解決債權銀行間之爭議，並將問題企業之管理與結構調整等工作，委由專

業之資產管理公司辦理，俾提高問題企業之價值及資產回收率。JV CRV 之存續期間以五年為限，必要時得延長一年。發起人至少三人，其中至少二人以上應為債權金融機構。

就實務面觀之，KAMCO 迄今僅於 2001 年 7 月以大宇企業集團之韓國大來卡公司(Diner's Club Korea)為對象，以競價拍賣方式將半數股份售予現代投資公司(Hyundai Capital) ，建立了第一件之 JV CRV 之個案。韓國大來卡公司刻正透過打銷呆帳、以債換股及降低利率等方式，積極進行重整。目前該案之成效尚未顯現，倘實施成功，據 KAMCO 高階主管表示，世界銀行將會將該企業重整之工具推廣至其他國家。JV CRV 與 JV CRC 之組織型態雖不同，惟交易架構則相似(詳附圖十四)。

附圖十四　合夥企業重整投資公司交易結構

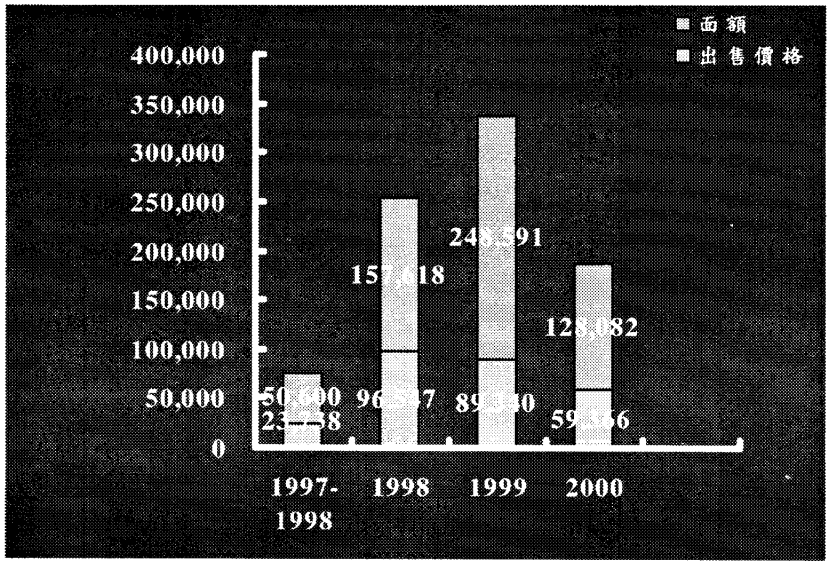


三、處理情形

1998 年上半年受限於韓國 NPL 市場尚未建立及缺乏處理技術，致 KAMCO 對 NPL 之處理成效欠佳。嗣自 1998 年下半年，其後由於整體經濟情勢轉佳，加上 KAMCO 積極辦理說明會(road shows) 及引進各種處理技術，故逐漸顯現處理成效(歷年處理情形詳附圖十五)。截至 2002 年 5 月底止，KAMCO 收購之不良資產帳面價值 841.4 億美元中，以前述方式處理之帳面金額已達 482.9 億美元，即近六成之不良資產已獲處理；另四成未獲處理之不良資產中，約三成屬大宇企業集團，另一成則多已在進行法院訴訟等相關程序。倘就收購與處理價格觀之，上開面額 482.9 億美元之不良資產收購價格為 201.3 億美元，處置價格則為 223.3 億美元。故就整體而言，KAMCO 對不良資產之處理成效頗佳(附表十四、十五)。

附圖十五　歷年不良資產處理情形

單位：億韓圜



附表十四　不良資產處理情形

基準日：2002.5.3　　單位：10 億美元

處理方式	處理情形			比率
	面額	收購價格	回收價格	
國際投標	4.86	1.05	1.28	10.06%
發行ABS	6.42	3.37	3.31	13.29%
售予AMC	2.06	0.53	0.74	4.28%
售予CRC	1.47	0.29	0.54	3.05%
個別銷售	1.13	0.29	0.39	2.33%
法院及公開標售	6.53	2.01	2.47	13.52%
催　收	8.02	2.73	3.86	16.61%
大　宇	3.29	2.14	2.02	6.81%
小計	33.78	12.42	14.62	69.95%
追索與撤銷	14.53	7.72	7.72	30.05%
合　計	48.29	20.13	22.33	100.00%

註：計有 4.1 億美元之大宇放款業已移轉至新設之 JV CRV。

附表十五　大宇企業不良資產處理情形

基準日：2002.5.3　　單位：10 億美元

收購面額	處理方式/面額	
24.45	CRV	0.51
	以債換股	1.45
	依協議計畫償還	1.32
	正常化計畫	0.01
	合　計	3.29

第四章 韓國存款保險公司與金融重建

韓國金融危機初期，韓國政府為穩定金融體系及保證存款人利益，於 1997 年 11 月 29 日宣布實施暫時性(約三年)之全額保障政策，而有關金融重整中挹注公共資金以處理問題金融機構，及公共資金之回收等任務，並由韓國存款保險公司(Korea Deposit Insurance Corporation，以下稱 KDIC)負責執行。本章茲就 KDIC 執行問題金融機構處理任務為相關說明。

壹、韓國存款保險公司簡介[3]

一、概述

韓國政府於 1995 年 12 月 29 日通過存款人保護法(Depositor Protection Act)，並於 1996 年 6 月 1 日設立韓國存款保險公司，以保障存款人權益及維護民眾對金融體系之信心。

KDIC 於 1997 年 1 月 1 日正式開辦存款保險業務，當時其他各類金融機構之保障基金仍分別存在，嗣韓國政府於同年 12 月 31 日修改存款人保護法，自 1998 年 4 月 1 日起，正式將各種保障制度整合於 KDIC 之下。

二、韓國存款保險公司

㈠設立法源

KDIC 係依存款人保護法(Depositor Protection Act)設立之公營機構，為特殊法人(special juridical entity)。

㈡組織架構

1 政策委員會(Policy Committee)

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[3] 本節就現行韓國存款保險公司為簡介，其他有關韓國存款保險制度相關內容，請參閱范以端所著「韓國金融監理制度、存款保險制度與資產管理公司考察報告」一書相關內容。

政策委員會為 KDIC 最高決策單位(the highest decision making organization)，由九位委員組成，其成員包括 KDIC 總經理(政策委員會主席)、財經部副部長、計劃與預算部副部長、金融監督委員會副主委、中央銀行副總裁、以及四位由財務經濟部部長指派之委員，一位直接指派，其餘三位分別由計劃及預算部部長、金融監理委員會主席、中央銀行總裁推薦。任期三年。

2 董事會

為 KDIC 最高管理單位(the highest governing body)，其成員包括董事長一人(KDIC 總經理為當然董事長，經財經部部長推薦、由總統任命)、董事五人(由財經部部長任命、KDIC 總經理推薦)；另設監察人一名(由財經部部長任命)。任期三年。

3 組織架構

KDIC 組織包括策劃及管理中心、風險管理中心、問題機構處理中心及接管中心等四大中心(Centers)，其下設有十四處(Departments)及六室(Offices)，截至 2001 年 12 月止，其員工共有 698 人，其中正式職員為 319 人，約聘人員為 379 人。

㈢主要任務

1 維持存款保險基金：當金融機構支付不能時，存保基金用來支付保險賠款，進而保障存款人權益。基金之來源主要包括政府捐款、要保機構捐款、保費收入及發行存款保險基金債券；必要時亦得向政府、中央銀行及要保機構借入款支應。

2 存款保險基金之運用：當存保基金尚有餘額時，KDIC 得將基金投資於政府債券、股票及其他類型之權益證

券等。投資收益將滾入基金。

3 辦理賠付：KDIC 應於要保機構停業三個月內，決定是否辦理賠付，並於報紙公告賠付程序。

4 成立過渡機構處理問題要保機構：為保障存款人權益及維護金融安定，經財經部部長核准 KDIC 得成立過渡機構(Resolution Financial Institution)，以承接問題要保機構之營業、契約或清理程序。該過渡機構所需資金全數由 KDIC 提供。

5 提供財務協助：倘金融機構欲合併或承受支付不能要保機構之資產負債時，得向 KDIC 申請財務協助。另 KDIC 亦透過提供資金及參與股權之方式，對瀕臨倒閉之要保機構提供財務協助。

6 辦理金融檢查：為辦理保險賠付及處理問題機構，KDIC 得要求要保機構定期提供經營資訊；倘 KDIC 認為要保機構有支付不能之虞時，得對其財務業務進行檢查。此外，KDIC 亦得要求金融監理委員會(FSC)辦理金融檢查或會同檢查。

㈣投保方式與對象

1 投保方式：採強制投保。

2 要保機構：含下列六類，各類基金帳戶各自獨立(附表十六)：

附表十六　要保機構家數

	銀行	證券公司	保險公司		綜合金融公司	MSFC	信用組合	合計
			壽險	非壽險				
本國	20	44	12	12	3	121	1,268	1,480
外商	42	18	10	6				76
其他	43							43
合計	105	62	22	18	3	121	1,268	1,699

基準日：2001 年 12 月底

(1)銀行：包括依銀行法核准設立之商業銀行與地區銀行、外國銀行在韓國分行、專業銀行(含韓國開發銀行，但不含韓國輸出入銀行)、全國農業合作協會(The National Agricultural Cooperatives Federation)、漁會信用合作協會(The National Federation of Fisheries Cooperatives)。

(2)證券公司：KOSDAQ 證券有限公司除外。

(3)保險公司：但再保險公司及主要辦理保證保險者除外。

(4)綜合金融公司(merchant banks)。

(5)相互儲蓄金融公司(mutual savings & finance companies, MSFC)。

(6)信用組合(credit unions)[4]。

3 非要保機構

郵匯局、投資信託公司(investment trust companies)、社區信用合作社(community credit cooperatives)、農畜合作社(Agricultural/Livestock Cooperatives derations) 上述四類機構雖非屬 KDIC 之要保機構，惟另分別受政府、投資信託公司保證基金、韓國社區信用合作社聯合社保證基金及全國農畜合作社聯合社之保障。

㈤最高保額

因應金融危機，採全額保障至 2000 年底。

自 2001 年 1 月 1 日起，恢復限額保障，最高保額為五千萬韓圜；惟考量全額保障轉限額保障初期，為避免短期內大額資金流動過速，並為維護支付系統安定，其中無息存款(含活期存款、支票存款等)部分採全額保障至

[4] 韓國政府計劃自 2004 年起將信用組合由存款保險之保障中獨立出來，另行成立基金。

2003 年底止。

㈥停業機構處理方式

1 金融監督委員會(FSC)得勒令下列問題要保金融機構停業：

⑴經實地檢查發現，要保機構之負債大於資產；或要保機構因發生重大財務損失或不良資產，致負債大於資產而無法正常營運。

⑵要保機構中止(in suspension)支付存款或償還向其他金融機構之借入款。

⑶經 KDIC 及 FSC 認定，要保機構倘未獲財務協助或其他額外融資，將無法支付存款或償還向其他金融機構之借入款。

2 停業(問題)要保機構處理方式

⑴ KDIC 得要求 FSC 對該問題機構採取必要措施，如強制契約移轉及宣告破產。

⑵為保障存款人權益及穩定金融體系，KDIC 得對問題要保機構提供財務協助以改善其財務狀況，型式包括股權參與、資金挹注、提供流動性協助等。

⑶由 KDIC 安排其他要保機構合併該機構，或由第三者購買該機構資產負債。KDIC 得提供財務協助，促成其他要保機構合併該機構。在購買與承受交易中，KDIC 會提供併購機構資金以亦免其資產品質惡化；倘健全銀行合併問題銀行，KDIC 會提供財務協助以協助健全銀行提昇資本適足率；倘二家問題銀行合併，則 KDIC 更將注入資金使合併銀行之 BIS 資本比率達 10%以上；KDIC 亦會以債券交換合併銀行股份之方式提供財務協助。

KDIC 提供財務協助時，其條件為金融機構應縮減員工與分行、處分固定資產、撤換管理階層、降低不良放款、減資以分攤損失等。

⑷由 KDIC 設立過渡機構，以概括承受該機構(該過渡機構之股份係由 KDIC 百分之百持有)。

⑸辦理現金賠付：

KDIC 辦理保險賠付之狀況有二：

①第一類(Category I)：要保機構經 FSC 勒令中止支付存款時，KDIC 應於勒令中止三個月內決定是否辦理保險賠付。

②第二類(Category II)：要保機構之營業執照經財經部吊銷、股東會決議解散該機構或向法院宣告破產時，KDIC 應辦理保險賠付。

倘要保機構遭 FSC 勒令中止支付存款、且 KDIC 評估辦理賠付須耗費相當前置作業時間時，KDIC 得先對存款人辦理預付保險金，以解決其立即生活費用之需。

三、恢復存款保險限額保障

韓國金融危機初期，為穩定金融避免擠兌而實施暫時性的全額保障政策。惟鑒於全額保障使市場無法發揮其制裁力量，長期實施將造成道德風險，故自 2001 年起改為限額保障，每一存款人之存款保障改為五千萬韓圜，以使市場制裁力量得以發揮。韓國政府原擔憂，實施限額保障可能會造成存款流向健全金融機構，而導致金融市場因流動性不足發生混亂，惟實施結果，並未發生該等情形，其主要原因應是 90%以上之存款人均受到保障。以綜合金融公司為例，限額保險實施後，三家發生問題之綜合金融公司

共有 136 位存款人(佔保額內存款人 0.3%)存款超過限額而遭受損失，損失金額為 26 億 2 千 1 萬韓圜(佔賠付金額之 0.6%)。而此一制度轉換成功的重要原因為事前 KDIC 的宣導得宜。

貳、挹注公共資金處理問題金融機構

一、公共資金之籌措

截至 2001 年底，KDIC 和 KAMCO 經由發債方式募集 102.1 兆韓圜，加計回收資金 30.8 兆韓圜及早期籌措之公共資金 22.4 兆韓圜，合計公共資金金額達 155.3 兆韓圜。

韓國政府最初於 1998 年 5 月通過 64 兆韓圜之公共資金預算額度，並由 KDIC 和 KAMCO 分別發行 43.5 兆韓圜存保基金債券及 20.5 兆韓圜不良放款債券，其中存保基金債券用以處理支付不能之金融機構，不良放款債券則用以購買不良放款。發債所募集之 64 兆韓圜公共資金於 1999 年用罄，惟因韓國在 1999 年底實施遠期觀測標準確(Forward Looking Criteria, FLC)，金融機構不良放款比率上升到 15%(88 兆韓圜)，以及大宇集團倒閉，致評估委員會於 2000 年下半年又認定出 6 家資本適足率不足 8%之銀行須注入資本，另四家綜合金融公司倒閉，顯示再行籌資進行第二波金融重建勢不可免，預估金額約需 50 兆韓圜。2000 年底，國會通過 40 兆韓圜之公共資金預算，做為進一步金融改革之財源，而另 10 兆韓圜則以資產回收(asset recoveries)之金額支應。

自 1998 年 1 月至 2001 年底，KDIC 所發行之 DIF 債券金額達 81.6 兆韓圜，其中迄 1999 年底所發行之 43.5 兆韓圜係用於第一波金融重建，第二波則於 2000 年底國會通過額外的 40 兆韓圜預算後發行。

DIF 債券之發行條件以浮動利率債券(FRN)為主。為將利率風險降至最低，首次發行 43 兆韓圜之 DIF 債券中有 29 兆韓圜(或 67.4%)係以 FRN 方式發行。然市場穩定且利率下跌後，以 FRN 發行之 DIF 債券大幅減少。FRN 主要採私募或用於對金融機構提供財務協助；至於固定利率之 DIF 債券，則透過公募方式向市場發行。

二、公共資金之運用

從韓國金融危機發生，KDIC 已經提供 99.1 兆韓圜用於金融機構之重建，包括 45.7 兆股權參與(Equity Participation)，16.3 兆為以 P&A 方式所為贈與(Contributions)，25.8 兆為存款賠付(Insurance Claim Payments)，另 11.4 兆用於購買資產(Asset Purchases)(附表十七)。以下謹就各資金提供方式、相關案例等簡述之。

附表十七　KDIC 提供財務協助累積金額

基準日：2001 年 12 月　　單位：十億韓圜

	股權參與	捐贈	存款賠付	購買資產	放款	合計
銀行	22,137.7	13,625.7		8,884.9		44,648.3
證券公司	4,900.0		14.4			4,914.4
保險公司	15,919.7	2,588.8		344.7		18,853.2
綜合金融公司	2,705.2		17,194.9		1,291.7	21,191.8
相互儲蓄金融公司	10.1	77.2	6,501.5		853.3	7,442.1
信用組合			2,049.1		36.7	2,085.8
合計	45,672.7	16,291.7	25,759.9	9,229.6	2,181.7	99,135.6

資料來源：KDIC2001 年年報。

㈠股權參與

透過股權參與為資金挹注，以促使問題金融機構經營正常化，是 KDIC 於因應金融危機時，廣泛用以處理問

題金融機構之方式之一，銀行、證券公司、保險公司、綜合金融公司、相互儲蓄金融公司等之處理均有此一方式之運用，尤其是銀行與保險公司。為改善受援助金融機構之經營以提高股價，KDIC 在公共資金挹注前，會先與問題金融機構簽署瞭解備忘錄(Memorandum of Understanding, MOU)。該 MOU 明確載明包括產能、資產報酬率及淨值報酬率等多項具體目標及達成期限，倘無法達成目標，則將會依 MOU 之懲處條款予以處罰。(有關 MOU 相關內容，請參閱第二章)

銀行業係韓國政府列為優先處理之對象，並以資本適足性作為認定銀行是否經營不善之準則。1997 年底計有 12 家資本適足性低於 8%之問題銀行，於 1998 年 4 月提出重整計畫(rehabilitation plan)並送交由獨立非官方專家組成之評估委員會(Appraisal Committee)評估。其中計有 5 家被評為不具存續價值(non-viable)；另外 7 家銀行准予依管理範圍、重整資本、合併、減資、降低成本和降低不良放款等方式來處理。

KDIC 於 2000 年挹注資金於六家銀行為股權參與(包括 Hanvit.Seoul,Peace,Kyungnam,Kwangju,Cheju)，並與該等銀行簽訂 MOU，以促使正常化經營。此外，KDIC 於 2001 年 3 月 27 日，設立由其百分之百持股之 Woori 金控公司(Woori Finance Holdings Company)，資本額為 3.63 兆韓圜，並移轉(Hanvit.,Peace,Kyungnam,Kwangju)等 4 家銀行及 Hanaro(Woori)綜合金融公司之股份，將該 4 家金融機構納入 Woori 金控公司，藉此提昇該等金融機構之競爭力，以利注入公共資金之回收。

此外，韓國壽險公司(Korea Life Insurance,KLI)自 1999

年 9 月經 FSC 判定無法繼續經營後，KDIC 即注資為股權參與，其後該公司營業雖有改善，但其獲利仍因股市跌價之影響而抵銷，損失仍因正常化進度不足而擴大。韓國政府於 2000 年 12 月決定授權 KDIC 提供 1 兆 5 千億元，其後復於 2001 年 9 月 6 日注資，計共注入 3 兆 5,500 億元。

㈡存款賠付

存款賠付方式多數用於停業之綜合金融公司、相互儲蓄金融公司及信用組合等。2001 年 Jangeun Securities、Dongbang Peregrine Securities、Hannam Investmint & Securities、Korea Industrial Securities 等四家證券公司進行清理，該四家之賠付事宜 KDIC 委任 Koomin 銀行辦理。另 Daehan 及 Nara 二家綜合金融公司之營業執照被撤銷後，KDIC 透過其設立之金融清理機構 Hanareum Banking Corporation[5]辦理存款賠付。2001 年有 3 家相互儲蓄金融公司發生經營不善問題，因未能成功以移轉契約予其他機構方式處理，爰由 KDIC 為存款賠付。過去 KDIC 對相互儲蓄金融公司之賠付，係透過 Hanareum MSFC[6]辦理，該公司於 2001 年 6 月結束後，KDIC 目前已簡化賠付程序，並已建置完成存款賠付資訊系統，直接對存款人辦理賠付。

㈢捐贈

在購買與承受交易中，KDIC 提供財務協助以彌補併購銀行所承購資產與負債間之差額或促成合併(merger)。

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[5]Hanareum Banking Corporation,HBC 設立於 1998 年 1 月，其任務為對停業綜合金融公司辦理賠付，並其承受資產負債。於 2001 年 6 月 23 日由 Hanareum MSFC 合併。

[6] Hanareum MSFC（Mutual Savings and Finance Company）是 KDIC 成立之金融清理機構（Resolution Financial Institution），以有效執行有關問題相互儲蓄金融公司處理相關事宜，於 2001 年 12 月 23 日併入 RFC。

2001 年 4 月，FSC 決定將 Hyundai Life Insurance 以及 Samshin Life Insurance 等 2 家經判定為支付不能壽險公司之契約予 KLI(Korea Life Insurance)，經為資產負債之評估後 KDIC 對 KLI 為總金額 8998 億韓圜之捐贈。另 2001 年 9 月 KDIC 經公共資金監督委員會決議後，對 Hanvit.Seoul、Peace、Kyungnam、Kwangju、Cheju 等 6 家銀行為資金贈與，總金額約達 2.9677 兆韓圜。

㈣購買資產

KDIC 挹注公共資金之方式多數為股權參與、捐贈或存款賠付，但在某些情形下，KDIC 會購買金融機構之資產。例如出售韓國第一銀行(Korea First Bank, KFB)予外資，或處理部分銀行之 P&A 交易時。部分之資產並由 KDIC 成立之 Resolution and Finance Corporation(RFC)所承受。RFC 成立於 1999 年 12 月 27 日，為 KDIC 依據存款人保障法設立，由 KDIC 百分之百持股之公司，用以承受並管理金融重建過程中問題金融機構之資產，RFC 承受及管理之資產主要有三種：一為處理韓國第一銀行(KFB)時，Newbridge 集團拒絕承受之 KFB 資產，其次係購買 KFB 行使賣回權(put-back)之資產，及其他問題金融機構資產。

㈤貸款

對問題金融機構給予貸款亦為 KDIC 運用方式之一，截至 2001 年 12 月，KDIC 對綜合金融公司、相互儲蓄金融金司及信用組合提供貸款金額合計為 2.1817 兆韓圜。

三、公共資金之回收

截至 2001 年底，KDIC 就其所支出之公共資金共回收約 15.584 兆韓圜(附表十八)。其回收之方式依公共資金支

出之方式而不同，主要為股權之出售、破產分配、處分資產等。為提高公共資金之回收，KDIC 在制度面及執行面無不竭盡所能，力求改善，茲就其回收方式及相關措施分述如下：

附表十八　KDIC 挹注之公共資金回收情形

單位：十億韓圜

	銀行	證券公司	保險公司	綜合金融公司	MSFC	信用組合	合計
股權參與	3,714.9		26.9				3,741.8
捐贈	1.7						1,7
破產分配	1,301.2	5.9	126.7	4,638.8	334.6	756.2	7,163.4
貸款回收				1,101.5	54.1	36.3	1,191.9
出售資產	3,388.3		97.8				3,486.1
合　　計	8,406.1	5.9	251.4	5,740.3	388.7	792.5	15,584.9

基準日：2001 年 12 月

㈠回收方式

1 出售股權

截至 2001 年 12 月底，KDIC 就處分股權之回收金額約為 3.7 兆韓圜，其中主要來自 1999 年 12 月 KDIC 出售其持有韓國第一銀行(KFB)股份予美商新橋集團(Newbridge Capital)及後續處分 KFB 股權所得。其次 KDIC 出資購買 Kookmin, H&CB, Shinhan,Hana,LorAm 等五家銀行之優先股，以彌補該五家銀行因承受問題金融機構而產生之資本不足，KDIC 自 2000 年起已依投資協議逐年因該等股份之回收而收回挹注之資金。

2 破產分配

KDIC 依據韓國破產法規定，對其提供資金為捐贈及存款賠付之金融機構之破產清算程序，均可以最大債權人身份參與分配，以回收其資金。截至 2001 年底，KDIC 經由破產分配程序，已回收公共資金達 7.1634 兆韓圜。

3 處分資產

截至 2001 年底 KDIC 處分其承受問題金融機構之資產所得為 3.4861 兆韓圜，其中 158 億韓圜係處分其承受韓國第一銀行(KFB)紐約及越南海外分行資產而得，3.4703 兆則是經由 KDIC 設立之清理金融機構 RFC 處分該公司持有資產所收回。

為及早處分承受之資產收回公共資金，KDIC 除辦理傳統的催收外，並嘗試以其他方式處分資產，例如辦理國際標售、為資產證券化等。

2001 年韓國審計部(Board of Audit and Inspiction, BAI)曾表達相較於 KAMCO 處理 NPL 之專業性，由 KDIC 負責處理 NPL 並不妥適之意見。自 2002 年 6 月起 KDIC 已將其所處理之 NPL 轉由 KAMCO 處理，KDIC 不再處理 NPL。

㈡採行各項措施以提高破產分配

1 為使 KDIC 可及早完成破產程序，以利公共資金之回收率最大化，修訂存款人保障法、公共資金監督特別法等相關法令，由法院指派 KDIC 職員擔任破產管理人(bankruptcy trustees)。法令明定當 KDIC 為停業金融機構主要債權人時，FSC 得建議法院由 KDIC 之員工(或財務專家)擔任清理人，除有特殊不適任之理由，法院應指定其擔任之。此外，公共資金監督特別法除明定法院應指派 KDIC 或其職員為法定之破產管理人外，

並規定為有效回收公共資金之需，有關指派 KDIC 職員擔任破產管理人規定得追溯適用，該法施行前破產的 200 家機構亦追溯適用該等規定。截至 2001 年 12 月，KDIC 或其職員計擔任 275 個破產機構之管理人。

2 KDIC 擔任破產機構破產管理人，積極整頓破產機構之營業據點及人力資源。KDIC 並採用績效報酬制度(performance-based assessment system)，依其績效優劣給予不同之獎懲，對提昇破產個案管理成效效果甚佳。

3 自 2001 年起實施區域管理系統，依破產機構位處地域不同，將全國區分為六個區域，各指派一地區經理(regional manager)，負責統籌管理督導該區破產機構，以系統化有效管理破產機構。

參、金融業結構改革法

除存款人保護法外，金融業結構改革法(Financial Structural Improvement of Financial Industry Act)是 KDIC 執行金融重建工作之主要依據。該法明定 FSC 依立即糾正措施(PCA)之規定決定處置問題及停業金融機構之方式。倘金融機構特定財務比率(如 BIS 比率)不符規定，或可能產生重大財務問題或不良債權(NPL)過高，則 FSC 得建議、要求或命令金融機構改善或提出管理改善計畫。PCA 內容包括減資、暫停業務、合併、購買與承受或強制契約移轉等。

FSC 及 KDIC 政策委員會得認定金融機構是否支付不能，倘經實地檢查後確認為支付不能，則 FSC 將依 PCA 標準，正式啟動處理程序，除命令其提出管理改善計畫及禁止部分業務外，並同時指定管理人(administrator)。KDIC 主要任務為資金之注入與回收。當 FSC 提出特定金融機構為

併構機構之建議時，KDIC 得安排其合併停業要保機構、或安排其他機構併購停業機構、或為保障存款人及金融安定之需安排辦理特定業務。KDIC 得對合併與併購停業機構之交易提供財務協助，並積極參與讓售程序(如評估所需財務協助金額)。茲將金融業結構改革法重要內容摘述如下：

一、目的

藉由合併(merger)、改制(conversion)或重整(reorganization)等方式，促進金融業健全競爭並提昇效率。

二、合併或改制

㈠金融機構因合併得改制為其他類型金融機構。

㈡金融機構合併或改制前應獲得 FSC 之許可。

㈢ FSC 為許可前應考量特定條件：合併不致影響信用秩序之健全與效率不限制競爭，合併或改制後之營業範圍為適當、組織人力均能配合，不違反商業法(Commercial Act)、證券交易法(Securities and Exchange Act)及相關法規。FSC 為許可前應洽詢公平會有無限制競爭問題。

㈣ FSC 認為必要時得為附條件之許可。

㈤簡化合併改制等相關法定程序，排除商業法及證券交易法等相關法令限制，例如簡化股東會召集程序、對債務人為合併決議通知得以新聞公告取代個別通知等。

㈥政府為促成合併，得對合併後存續或新設之金融機構提供財務協助。

㈦提供合併租稅減免等優惠。

三、立即糾正措施

㈠當 FSC 認定金融機構之資本適足率不足或因重大金融

事件等因素而可能不足時，FSC 得對金融機構或該機構之負責建議(recommend)、要求(request)或命令(order)下列事項，以健全該機構：

1 提醒、警告或譴責該金融機構、高階主管或職員。減薪。

2 減、增資、處分資產或減縮營業或組織規模。

3 禁止取得風險性高資產或以高利率吸收存款。

4 命負責人停職或任命管理人(administrators)執行其職務。

5 收回(retire)或合併(consolidate)股份。

6 停止全部或部分業務。

7 由其他機構合併或承受。

8 移轉存款或授信契約

9 其他對提升問題金融機構健全性之必要措施。

㈡ FSC 依立即糾正措施命金融機構為合併、契約移轉時，得指定為合併或承受之機構。

㈢ KDIC 得依據存款人保障法規定對合併或承受契約機構提供財務協助。

㈣ FSC 為立即糾正措施或契約移轉等相關處置前，應先徵詢財經部意見。

四、政府對問題金融機構出資

㈠ FSC 認為金融機構因為持續性的存款流失而無法繼續經營時，得由政府依規定投資或購買該等機構股份。

㈡ FSC 得命受援助金融機構減資或買回政府之持股。

㈢政府對問題金融機構出資時，問題金融機構得發行無表決權股。

五、處理問題金融機構之行政處分

㈠問題金融機構違反有關立即糾正措施或減資之要求或命令，FSC 得或授權 FSS，命該金融機構高階主管停職、指派人員代行其職務或逕予解任。

㈡金融機構未執行或無法執行有關立即糾正措施或減資之命令時，FSC 得採取必要之處置，例如命令為契約之移轉、停止營業至少六個月或取銷業務許可等。FSC 命令為契約移轉時，應一併決定移轉契約之範圍、條件及承受契約之金融機構，同時應取得承受銀行董事會之同意。

六、指派經理人

㈠FSC 依本法指派之經理人，就有關契約移轉相關事項，有權管理及處置問題金融機構之資產負債。

㈡ FSC 決定將停止金融機構之業務或命為契約移轉，須指派經理人時，應指派 KDIC 高階主管或職員為經理人。

七、金融機構之清算與破產

㈠金融機構解散或破產時，FSC 得不受商業法及破產法之限制，推薦財務專家或 KDIC 之高階主管或職員人員為清算人，由法院指派。

㈡當 KDIC 或金融清算公司為問題金融機構之最大債權人時，應推薦 KDIC 之高階主管或職員為清算人。

八、罰則

金融機構職員及清算人違反本法有關立即糾正措施等命令者，得處一年以下徒刑或科一千萬韓圜以下罰金。

第五章　韓國企業改革

韓國政府鑑於該國金融問題與企業問題息息相關，為確保金融改革之成效及維護企業競爭力，爰於 1997 年底金融危機後，就下列三層面積極推動企業改革，包括：㈠強化公司治理；㈡要求企業進行財務及業務之結構性調整；㈢推動問題企業經營正常化機制(workout program)。在金融危機發生初期，由於企業改革相關法制並未完備，加上當時韓國面臨整個國家債信瀕臨破產之狀況，故改革之推動係在政府之主導下，由企業自發性地與銀行共同進行協議調整機制，以求存續經營與競爭力之提昇。嗣為進一步提高改革成效，韓國政府於 2001 年 8 月通過企業結構調整促進法(簡稱企促法)，其重點包括提高企業會計之透明性、強化金融機構因應及管理信用危險之能力，以及協助債權金融機構主動、迅速及有效地推動企業結構調整，為該國企業改革提供了更完備之法制基礎。本章以下謹就韓國金融危機初期之企業改革方式與重點，以及改革法制化後企促法之主要內容，分節介紹之。

壹、金融危機初期之企業改革

一、企業改革原則

體認企業改革為金融改革成功之關鍵，韓國總統金大中早於 1997 年底即提出「主要企業結構調整方案」(簡稱「Big Deal」)，擬以主要企業進行企業互換(Business Swap)為手段、解決產能過剩與高財務槓桿問題為目的，作為韓國企業改革之主要方式。惟當時各界批評該方案嚴重違反市場原則，故未能實施。

1998 年 1 月，韓國政府與企業界同意以下列五項原則進行企業改革：

㈠加強企業透明化：引進公司外部董事制度及監察人會等制度，改善企業控制結構及強化會計公告制度。

㈡取消交叉保證：禁止集團所屬企業間提供擔保。

㈢改善財務結構：對負債過多之企業予以稅務懲罰。

㈣強化大型企業核心競爭力產業，並加強與中小企業之合作。

㈤改善公司治理：包括加重管理者責任，附加董事盡職義務規定，經營不善機構之股東失去股權。

依據上開原則，韓國政府開始強化包括稅制在內之相關法規制度以協助企業改革，另包括五大企業集團在內之企業界，亦透過「資金結構改善計畫」(Capital Structure Improvement Agreement)積極進行整頓，以解決產能過剩及過度負債問題。並於同年 2 月實施債權金融機構及 30 大集團間之財務結構改善政策，建立以債權金融機構為中心之企業改革模式。

1998 年 7 月，鑑於外資引進不易，Big Deal 重新獲得重視，金大中並與全國經濟人聯合會(FKI)及主要政治界與企業界領袖達成共識，將推動 Big Deal 列為企業改革之核心，並積極進行企業正常化計畫。1998 年 9 月，五大集團正式完成 Big Deal 協議，對旗下主要七項產業進行事業互換。

此外，並透過債權金融機構推動問題企業經營正常化機制，逾二百家金融機構於 1998 年 6 月簽署「企業改革協議」，承諾所有債權機構將遵循企業經營正常化機制之作法，協助五大集團以外之主要企業(約六十家)進行結構調整；另政府亦成立「企業重整協調委員會」，協助解決債權人間或債權債務人之糾紛。

二、加速五大企業集團改革－政府、企業、債權銀行三方協議

1999 年 8 月，韓國重新檢視企業改革成果，五大集團除大宇企業外，餘皆完成並超越「資金結構改善計畫」之目標。然鑑於整體經濟復甦力道仍顯不足，企業發展仍呈向下趨勢，韓國各界咸認有必要再度加強企業改革，透過結構性調整之方式提昇企業競爭力，加上體認企業以「規模導向」之觀念已過時，應推動「利潤導向」之經營觀念。政府、企業界及金融界再次達成共識，大型企業集團之改革為渡過金融危機及重獲高經濟成長之關鍵，爰由金大中總統主導，由五大企業集團領袖、五個主要經濟部會首長及四大債權銀行總裁，共同簽署了一份「加速五大企業集團改革－政府、企業、債權銀行三方協議」(Corporate-Government-Creditor Banks Agreement on Accelerating Restructuring of Big-Five Conglomerates)。依照該協議，1998 年初所發布之五項企業改革原則，應於 1999 年底完成，並訂定行動計畫(Action Measures)作為執行之依據。以下即為該行動計畫之重點：

㈠ 1999 年底應完成五大企業改革原則

1.五大企業集團應遵行「資金結構改善計畫」並將負債占淨值之比率降至 200%以下。

2.依該計畫進行資產出售、增資、引進外資、取消交叉保證。

3.主債權銀行按月監控五大企業集團改善情形，並透過以債換股等方式協助改善其資金結構。

4.主債權銀行與金融監督院(FSS)共同監督該計畫執行進度。

5.五大企業集團完成 Big Deal。

對於尚未完成重建之行業，債權銀行應積極引導其及早完成 Big Deal，必要時並得進行債務重整、以債換股等措施。

㈡改善公司治理

1.儘速訂定公司治理標準，企業應遵守之，政府並應配合修改相關法規。

2.債權金融機構致力於強化監控功能，協助企業改善經營管理。

㈢改善非銀行金融機構之公司治理

1.政府將加強改善非銀行金融機構之公司治理，並提昇其管理透明度及加重經營責任。

2.五大企業集團應對其旗下之金融機構與企業子公司間設立防火牆，並建立獨立負責之資產管理制度。

㈣降低子公司間之交叉持股

1.各企業應降低子公司間之交叉持股，以健全個別公司與整體集團之資本結構。

2.金融機構應以合併報表之負債占淨值比率評估企業之債信，以加速降低間接交叉持股。

3.政府將恢復關聯企業股票投資之限制規定，新規定應於2001年4月生效，以防範交叉持股。

㈤禁止違反競爭之集團內交易(Anti-Competitive Intragroup Transactions)

1.嚴格禁止違反競爭之集團內交易，並加強決策過程之公開透明。

2.政府將對集團內交易，訂定應經由董事會決議及公開揭露之相關法規。

㈥贈與及繼承之逃漏稅規定

政府將修法避免並加強監督企業以贈與及繼承之方式逃漏稅。

㈦政府、企業與金融機構共同致力貫澈協議條件

1.政府、企業與金融機構應共同致力於貫澈協議條件。

2.政府應透過修法方式進行企業改革，並遵循市場經濟原

則。

貳、企業改革之法制化

一、法制化重點

金融危機發生後，韓國政府在進行金融改革之際，雖已同步進行企業改革，惟整體改革係由政府主導，並將基礎建立在企業與銀行自發性之協議機制--「企業正常化機制」(workout program)之上，由債權銀行與問題企業簽訂 MOU，並依 MOU 之規定進行企業正常化計畫，必要時債權銀行得提供財務協助。該機制並無明確之法律制度規範。有鑑於企業改革之效率仍有待相關配套法令之實施方可進一步提高成效，韓國政府爰於 2001 年 8 月通過企業結構調整促進法(簡稱企促法)，將上述正常化機制予以法制化，施行期間為 2001 年 9 月至 2005 年 12 月；另並就相關配套法制併同修正或增訂(附表十九) ，惟其中仍以企促法最為重要，該法主要目的包括提高企業會計之透明性、強化金融機構因應及管理信用危險之能力，以及協助債權金融機構主動、迅速及有效地推動企業結構調整。

附表十九　韓國企業改革相關配套法律

企業結構調整促進法	●提高企業會計透明性，強化金融機構因應及管理"信用危險"的能力 (2001. 8) ●協助"債權金融機構"主動地、迅速地、有效地推動企業結構調整
破產三法	●促進"破產法"、"公司整理法"、"和議法"等破產三法合為一個單一法案 (2002 修正)
企業重整專業公司法(CRC法)	●推動市場中心的企業結構調整，引進企業重整專業公司制度 (1999.2)
企業重整投資公司法(CRV法)	●協助財務困難而可望復甦的企業經營正常化，並有效協助金融機構處理該等企業之債權 (2000.10)

企促法並透過強化債權人權限之方式，由債權金融機構擔任改革推動之核心(詳附圖十六)，其重點包括：

㈠由債權銀行組成「債權銀行委員會」(以下簡稱委員會)對問題企業進行結構調整，並由主債權銀行負責會議之召集與運作。另為有效進行企業結構調整，得將債權金額不及授信總額 5%之小額債權金融機構(petty-sum creditor financial institutions)，排除於委員會之外。

㈡明定問題企業結構調整之方式，包括進行聯合管理、通告債權人延遲執行債權、與問題企業訂定管理正常化協議、進行債權調整(如：延長償債期間、減免本息、以債轉股等)、新貸(優先受償)等。

㈢委員會決議由債權額四分之三以上之債權金融機構同意後通過。

㈣倘債權金融機構對問題企業進行聯合管理、債權調整或新貸案等重大決策投反對票時，得要求委員會以市價承購其債權。倘收購價格無法達成協議，則由調解委員會參酌雙方推派之會計專家之意見決定之。

㈤主債權銀行應定期對問題企業之聯合管理及管理正常化結果進行評估，倘認無經營正常化之可能者，則應即向法院申請命令解散或清算，或要求宣告破產並申請破產等。

㈥另為使債權金融機構善盡其責，明定其倘未執行委員會決議，如有損失應付賠償責任；倘違反企促法相關規定(如未定期辦理信用風險評估及貸放後管理等)，則另訂有相關罰則，如對員工進行警告、懲戒或減薪、撤換主管、中止部分業務項目等。

二、企業結構調整促進法簡介

如上所述，企促法透過強化債權人權利與義務之方式，使韓國之企業改革，得以債權金融機構為核心進行。茲進

一步將企促法之內容詳述如下：

㈠立法目的

透過強化企業透明化及建立金融機構有效控管信用風險機制之方式，並依據市場功能，以加速促進韓國企業之結構調整。

㈡適用對象

1.適用本法之企業，係指向金融機構貸款金額達 500 億韓圜者。

2.本法所稱「顯有支付不能之虞之企業」(enterprise with insolvency signs，以下簡稱「問題企業」)，係指經主債權銀行或債權銀行委員會(以下簡稱「委員會」)認定，倘不提供額外財務協助則無法償債者。

㈢企業會計資訊與信用風險管理

1.企業會計資訊部分

(1)企業應訂定內部會計管理制度，俾提供大眾可信之會計資訊；且所提供之資訊，均應切實依照該制度之規定辦理。

(2)企業應指派一名全職董事擔任內部會計管理制度之負責人，其每半年應向董事會及獨立稽核(auditor，包括稽核委員會，auditing committee)提出該制度運作情形之報告。

(3)獨立稽核應對內部會計管理制度運作情形進行評估，並向董事會提出報告。

(4)外部稽核(指會計師)應對企業內部會計管理制度加以查核，如有疑慮，可要求該制度負責人提供資料並將其意見於稽核報告中表達。

(5)任何人倘發現企業對外提供之會計資訊有違反會計準則或造假情形，且依規定向證期會檢舉者或通知

獨立或外部稽核者，對該檢舉人或通知人應受之懲戒或糾正措施得以減免，且應對其身份等資料予以保密。

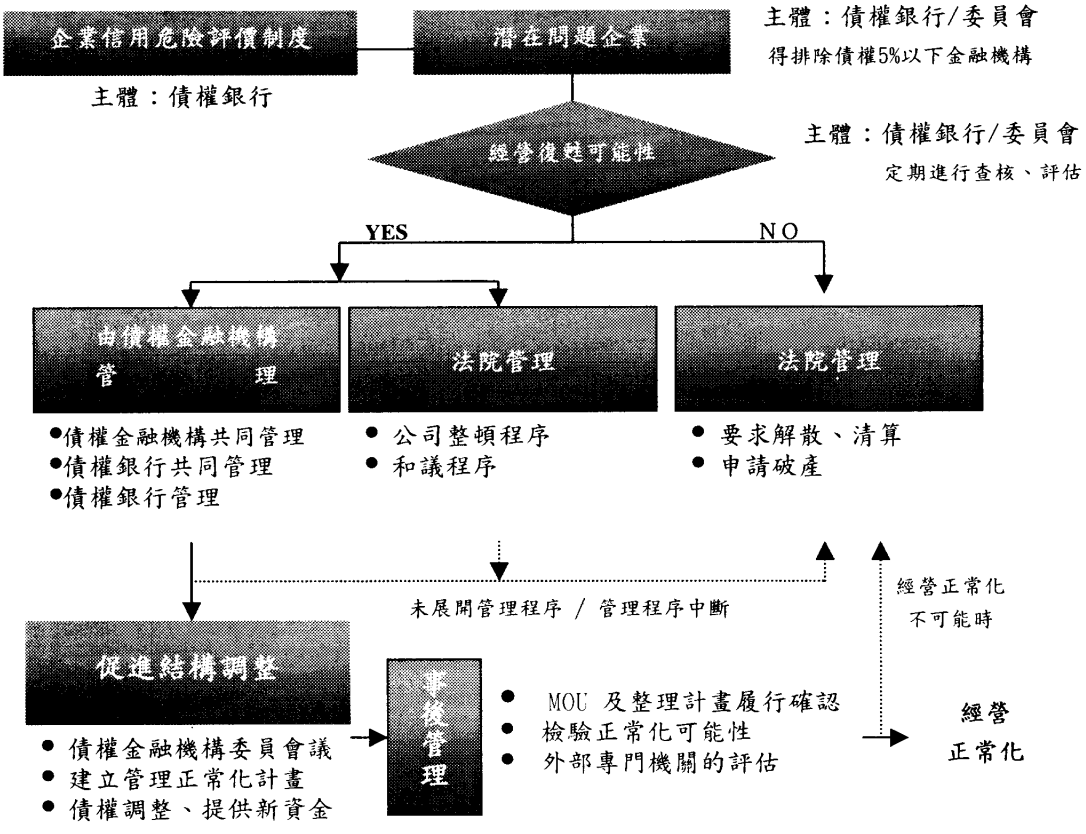
(6)債權銀行得要求貸款企業提供最近二年之外部稽核報告。

(7)證期會應將相關外部稽核報告結果，通知各金融機構，俾其作為未來貸放之參考。

2.信用風險管理部分

債權銀行應對貸款企業定期評估信用風險並採取適當措施，並依金融監督委員會(FSC)之準則，就定期評估及貸放後管理訂定標準(內容包括盈利性、成長性、穩健性等)。

附圖十六　企業結構調整促進法運用體制



㈣問題企業結構調整方式

1.對問題企業採行之措施

主債權銀行應對問題企業立即採取下述管理措施：

⑴倘主債權銀行評估後認為問題企業可望「經營正常化」者，則應即逕向法院申請或要求該企業提出申請進行下列管理程序：

①依委員會決議進行債權金融機構聯合管理。

②依委員會決議進行債權銀行聯合管理。

③由主債權銀行管理。

④依公司重整法(Company Reorganization Act)進行重整。

⑤依公司和議法(Composition Act)進行和議。

⑵如認為問題企業無「經營正常化」之可能者，則主債權銀行應立即採取下列措施：

①要求解散或清算。

②要求宣告破產並申請破產。

⑶債權銀行為加速企業正常化，在進行上述程序前，得將其以債轉股取得之股票，售予或委託第三人處理。

⑷倘主債權銀行未採取上開管理措施，其他債權銀行得要求主債權銀行對問題企業立即採行該等措施。

⑸主債權銀行倘對問題企業採行解散、清算或宣告破產措施，應通知銀行公會俾其他金融機構周知。

⑹倘採行債權銀行聯合管理或主債權銀行管理之措施，則相關資訊得不對大眾揭露。

2.延遲執行債權

⑴主債權銀行召集委員會進行聯合管理程序，應通知

金融監督院院長及債權銀行，金融監督院院長並得要求債權人自通知召集委員會至第一次召開會議止，暫緩執行其債權。

(2)債權金融機構得於第一次召開委員會會議七日內，決定暫緩執行債權之期間，但以一個月為限(自通知召集委員會議日起算，但如有查核資負債之需時，得延長為三個月)，並得延長一次且最長一個月。

(3)倘無法就暫緩執行債權之期間達成共識或於期間內無法訂定管理正常化計畫，則債權金融機構管理程序自次日起終止。

3.管理正常化計畫協議

(1)委員會得對問題企業進行「管理正常化計畫」協議。該計畫內容如下：

①明定管理目標，如週轉率、利潤等。

②明定結構調整執行計畫，內容包括人事、組織與薪資之調整、財務結構改善計畫(如增資)。該計畫期間以一年為限，但得依委員會決議延長之。

③倘上述第①點之管理無法達成時，得進行進一步之結構調整執行計畫。

④就上開管理目標及結構調整執行計畫，取得利害關係人(interested parties，如股東)之同意書。

⑤為支應管理正常化計畫所需流動性，訂定債權調整計畫及貸款計畫。

⑥倘擬出售第三人、委託管理或設立企業重整投資公司(CRV)時，應訂定明確計畫。

(2)除非有緊急需求(如籌措營運資金)，債權金融機構於企業正常化計畫協議達成前，不得對問題企業進行

貸放。

(3)主債權銀行應按季查核協議執行情形，並得要求問題企業提供所需資料。

(4)主債權銀行應對聯合管理及管理正常化成果定期進行評估，並對委員會提出報告。另自進行聯合管理之日起，至少每二年請外部專家就前開事項進行一次評估。

4.債權調整

(1)債權調整(credit readjustment)之方式包括：延長償債期間、減免本息、以債轉股(conversion of loans into investment)等。

(2)債權金融機構為進行管理正常化計畫，得對企業進行債權調整或新貸。該項調整應至少獲四分之三以上之擔保債權人同意後作成決議。

(3)上開新貸金額應優先償還。

5.聯合管理程序之中止

(1)下列情形下，委員會得決議中止聯合管理程序：

①問題企業未執行正常化計畫，或經主債權銀行查核後，認為該計畫難以執行。

②經委員會評估後，認為不宜繼續執行聯合管理，或認為問題企業不具經營正常化之可能。

(2)問題企業經中止聯合管理程序且依公司重整法申請進行重整者，主債權銀行應將正常化計畫或相關改善計畫提交所轄法院。該計畫視同公司重整法之先期計畫草案(a draft of prior plans)。

(3)問題企業經中止聯合管理程序且依公司和議法申請進行和議者，主債權銀行得要求該企業將正常化計

畫或相關改善計畫提交所轄法院。

6.對進行重整或和議程序企業進行正常化可能性之查核及相關處理措施

(1)主債權銀行應對進行重整或和議程序之問題企業。就其管理正常化之可能性，每年至少辦理定期評估及查核一次。該企業應配合該項查核或評估，提供所須業務與資產相關資料並予說明。

(2)倘主債權銀行判斷該進行重整或和議程序之問題企業，不具管理正常化之可能性，應即向所轄法院申請中止或取消該重整或和議程序。

㈤債權銀行委員會

1.委員會之組成與運作

(1)為促進問題企業結構調整，債權金融機構應組成債權銀行委員會，並由主債權銀行負責會議之召開及運作。

(2)債權額逾總授信金額四分之一之債權金融機構，得要求主債權銀行召開委員會議。

(3)倘債權金融機構於會議通知召開後，擬將所持有之債券(含依管理正常化計畫以債轉股取得之股票)，售予非債權機構或擬委託其執行相關權利時，應先取得其將同意遵守本法規定之同意書(promise note)。

(4)主債權銀行得要求問題企業取得其他非債權金融機構之債權人同意遵守本法規定之同意書，該等債權人繳交同意書後，即視同本法之債權金融機構。

(5)委員會為有效進行企業結構調整，得將債權金額不及授信總額 5%之小額債權金融機構(petty-sum creditor financial institutions)，排除於委員會之外。

2.委員會職責

⑴認定企業是否「顯有支付不能之虞」。

⑵決定是否進行聯合管理及是否持續進行。

⑶決定暫緩執行債權期間是否延長。

⑷訂定協議。

⑸查核及評估協議執行情形。

⑹查核及評估企業管理正常化之可能性。

⑺訂定債權調整或新貸計畫。

⑻決定是否在對問題企業採行法定管理措施前，將其以債轉股取得之股票售予第三人。

⑻決定小額債權金融機構之排除。

⑽其他上述相關事宜。

3.決議通過方式

除非委員會另有決定，委員會決議由債權額四分之三以上之債權金融機構(含以債轉股部分)同意後通過。

4.債權額之申報

⑴各債權金融機構應於通知召開會議五日內，向主債權銀行申報其債權金額。

⑵債權金融機構之投票權，依債權額比例定之。

⑶倘債權額有所爭議，委員會得於確認各債權金融機構之債權額後進行投票表決。

⑷上開債權金融機構於債權額確認日起具投票權，但不得對已通過之決議表示異議。

⑸於申報期間後申報債權者，於債權額確認日起具投票權，但不得對已通過之決議表示異議。

5.投反對票之債權金融機構之債權收購

⑴符合下列條件，且就進行聯合管理或債權調整或新

貸案投反對票之債權金融機構(以下稱「反對機構」)，得要求委員會於七日內收購其債權。

⑵委員會應於一個月內告知反對機構債權收購價格，並要求參加委員會之其他債權機構或 KDIC 或 KAMCO 收購其債權。

⑶收購價格由委員會與反對機構協議之，如難以決定，得暫以約定價格支付價金，事後再依議定價格結算。

⑷倘無法達成協議，則由調解委員會(mediation committee)參酌雙方推派之會計專家之意見決定之。

6.損失賠償責任

⑴倘債權金融機構因下列原因造成之損失，應付賠償責任：

①未執行委員會決議。

②將債權售予或委託第三人管理，但未取得同意遵守本法相關規定之同意書。

⑵上述損失得以支付罰金之方式辦理，罰金由其他債權金融機構共得。

⑶罰款金額及分配方式由委員會決定，如無法達成協議，則由調解委員會主導之。

㈥調解委員會

1.設立目的及成員

調解委員會設立目的，係為加速對問題企業之重整及調解債權金融機構委員會之爭議。其成員七人，任期一年但得連任，主任委員由成員推選(得連任)。成員資格如下，但政府及金融監理機關人員不在此限：

⑴具十年以上金融相關領域工作經驗。

⑵律師或會計師。

⑶財金碩士且具十年以上研究機構或大學之研究員或講師以上之經驗。

⑷具三年以上企業結構調整(corporate restructuring)工作經驗。

2.職責

⑴調解債權金融機構委員會無法自行協調解決之爭議事項。

⑵調解反對機構擬出售債權之價格。

⑶調解損害賠償罰款金額及分配。

⑷判斷債權金融機構委員會之決議是否有效及決策過程之適當性。

⑸制訂及修正有關調解委員會之運作相關規定。

3.其他相關事項

⑴調解委員會應獨立行使職權，其決議經三分之二以上委員同意後通過。

⑵債權金融機構對債權金融機構委員會審議事項有異議時，得以書面方式明確表達調解之要求，並提出已盡力自行協商之初步證明。

⑶調解委員會之決議，其效力等同於債權金融機構委員會之決議。倘債權金融機構仍有異議，得向所轄法院提出上訴。

㈦其他相關規定

1.本法之適用，優於其他法令中有關企業結構調整之規定。

2.本法施行前，由主債權銀行或債權銀行委員會為對問題企業結構調整所作成之決議、延緩執行債權、管理正

常化計畫、債權調整或其他措施，追溯適用本法之規定。

3.債權金融機構對問題企業以債換股時，該企業得經股東大會決議通過後，以低於面額之價格發行股票，免取得法院之授權。除非股東會另有決議，否則應於決議後一個月內發行之。

(八)糾正措施與罰則

1.債權金融機構有下列情形者，FSC 得要求限期改善：

(1)疏於依本法規定辦理信用風險評估及貸放後管理。

(2)無適當理由但未依債權銀行委員會決議對問題企業執行管理程序。

(3)未依本法規定，在未達成管理正常化計畫協議前即對問題企業提供貸款。

(4)未依本法規定對問題企業之管理正常化計畫執行情形進行相關查核，或未對進行重整或和議程序但管理正常化無望之問題企業，立即向所轄法院申請中止或取消該重整或和議程序。

2.倘債權金融機構對上開情形未能於期限內改善，FSC 得採取下列措施：

(1)對債權金融機構之主管及員工進行警告、懲戒或減薪。

(2)撤換主管。

(3)中止部分業務項目。

(4)其他必要措施

3.下列人士應處五年以下徒刑，或科三千萬韓圜以下罰金：

(1)違反本法有關內部會計管理制度規定，偽造、變更

或損壞會計資訊。

⑵對檢舉或通知企業對外提供之會計資訊有違反會計準則或造假情形者，洩露其身份相關資料。

4.對因疏失所致下列情形者，科三千萬韓圜以下罰金：

⑴未依本法規定設置內部會計管理制度。

⑵未對內部會計管理制度進行查核或提出稽核報告。

⑶上開罰金由 FSC 徵收。受罰人如有異議，應於收到處罰通知日起三十日內提出異議申請，FSC 並應即通知所轄法院依法就該疏失罰金案進行審判程序。

㈨本法適用期間

2001 年 9 月起至 2005 年 12 月底止。

第六章　韓國經驗與其他金融危機國家及我國之比較

本章重點有三，一為韓國遭遇金融風暴後，迅速恢復之因素加以探討，並與其他於 1990 年代，同時遭遇外在衝擊、匯率貶值以及金融體系危機之瑞典、芬蘭及墨西哥作一比較，將更能對於韓國成功之經驗有一更深度之了解。尤其韓國資產管理公司表示其不良債權之收購架構，係參考芬蘭，因此此一比較更見其意義。其次特就韓國金融重建經濟金融背景與我國狀況做一比較，以利瞭解相關差異所在。第三部分則依據金融重建基金設置及管理條例修正案，試擬執行時之相關作業規劃，以利未來立法通過後，儘速執行之參考。

壹、韓國成功經驗與其他金融危機國家之比較

本章係就韓國遭遇金融風暴後，迅速恢復之因素加以探討，並與其他於 1990 年代，同時遭遇外在衝擊、匯率貶值以及金融體系危機之瑞典、芬蘭及墨西哥作一比較，將更能對於韓國成功之經驗有一更深度之了解。尤其韓國資產管理公司表示其不良債權之收購架構，係參考芬蘭，因此此一比較更見其意義。

瑞典與芬蘭於 1992 年金融危機發生之前，即已歷經三年之不景氣，其不景氣發生之原因包括資產價格泡沫之破滅，匯率高估。瑞典之實質國民生產所得下降 5%，芬蘭則由於前蘇聯之瓦解及貿易之解體，國民生產所得下降 9.5%，其後之經濟復甦範圍不大且係外在因素所導致，內在之需求則於 1994 年底才較明顯。墨西哥危機則發生於 1994

年底，該國經歷非常嚴重之經濟衰退，國民生產所得下降 7%，不過該國與韓國相同均能迅速自衰退中恢復，其成功之原因為出口之成長，市場開放之改革，貿易夥伴國家之成長，以及貿易條件之改善。

相較於前述三個國家，韓國金融危機發生前則有幾項經濟之優勢，如財政盈餘、高儲蓄率，比重較高之電子生產工業(使其趕上全球科技之繁榮，得以充分受惠)、危機前相對平衡之不動產市場、以及符合經濟基本面之合理匯率。雖然韓國之造船、汽車、電子以及半導體業有過度投資之現象，但類此產業隨匯率之嚴重貶值而受惠，相對而言，其他受金融風暴影響之國家，其投資則集中於不動產業。韓國另一項優勢則在於健全之財政，政府負債比率低，1996 年之負債比率為 GDP 之百分之九點五且有財政盈餘。此點使得該國於對抗景氣循環政策之制定以及金融改革公共資金之運用上，有極大之空間。

由於上述之優勢，使得韓國經濟之回升，相較於瑞典、芬蘭及墨西哥顯得既快又強且廣。即使此一經濟之回復導因於外在之環境，然由於消費信心之恢復以及股市(主要為資訊工業及通訊部門)之強勁反彈，使得經濟之復甦擴大至私人消費及投資。以下就其外在及內在之因素詳加分析，並與瑞典、芬蘭及墨西哥作一比較。

一、外在需求

無論任何國家，外在需求之增加將對國際收支導致經濟之恢復並對經常帳有直接之貢獻。瑞典、芬蘭及墨西哥三國，強勁之出口確實造成經濟回復及經常帳之增加；而韓國雖然出口強勁但經常帳之變化尚包括進口之緊縮。該進出口貿易變化之交相影響，使其外匯存底由 1997 年底為

GDP 之負 1.5%，成長至一九九八年 GDP 之正 12.5%，其差距為 500 億美元。國際收支之快速累積有助於投資者信心之恢復以及金融市場秩序之建立。

1998 年年中以後，強勁之出口推動韓國之經濟成長。由於其開放及高度出口導向之經濟特色，匯率之貶值造成其外貿之競爭優勢。此外，1990 年初，廠商對於資訊科技以及通訊業之大量投資，使其於美國及其他國家全球資訊科技以及電子設備之需求快速增加時，得以充分因應市場所需直接受惠。

二、國內之需求

雖然強勁之出口貿易，為韓國經濟成長之主要因素，然而國內需求以及後續之擴張政策，對於經濟之助益亦不容忽視。事實上，韓國經濟強勁回昇之範圍，與其他 1990 年經濟受創國家相比，更為廣泛。例如，即使高失業率以及實質工資之下降，私人消費仍因家計部門之高儲蓄率以及低負債比率(1995 至 1997 年之平均儲蓄率為 23%)隨著經濟回復而快速增加。相反地，瑞典、芬蘭及墨西哥等三國，經濟雖有復甦，但私人消費則僅有緩慢之起色。此乃由於家計部門之負債比率於經濟衰退前為最高，其後由於利率之攀升以及信用緊縮，造成家計部門以增加儲蓄因應之。因此對於經濟狀況改善後私人消費增加則有排除之效果，亦延長經濟衰退之時間。

有關投資之成長對於韓國經濟之助益分析如下，剛開始投資之技術性反彈係由於 1998 年時，廠商銷貨不振，銀行又不願提供營運資金之週轉，公司企業面臨嚴重之流動性緊縮問題，於是廠商則以去化庫存，換取現金降低成本以為因應。隨著需求之增加以及流動性問題之減緩，廠商

之庫存量逐漸恢復正長水準，此一投資成長使 1999 年 GDP 之成長提高五點五個百分點，當年 GDP 之成長率則為 10%。

固定資產之投資於 1998 年後亦有快速之成長。部分重工業之過度擴充以及企業負債比率過高所造成投資延緩效果，已被資訊科技、通訊等新興行業之機器設備之大量擴充投資所抵銷，因此投資總額快速增加。另外，韓國投資之成長遠高於其它三國之另一原因為，韓國建築業 1980 年代之過度投資經過長時間之消化，於 1997 年風暴時，已消化殆盡而無過熱之現象。相反地，瑞典與芬蘭固定投資之成長則遲至經濟衰退後三年才開始恢復。

三、政府之政策

雖然有利之外在環境，為韓國經濟復甦亮麗表現之主要原因，而該國得以利用外在之有利因素，積極進行經濟改革改革，重建經濟繁榮，政府政策之配合亦為成功之重要原因。以下則為韓國政府因應金融風暴採行之措施：

㈠金融風暴發生後，立即採取擴張之貨幣及財政政策。

㈡金融風暴一發生，即致力於解決結構上之弱點、提振投資人之信心以及人民對於政府執行金融穩定政策之信賴度，即早清除銀行之不良債權使其致力於正常業務經營。雖然韓國經濟仍有部分問題有待解決克服，但相較於亞洲之其他國家，該國已被廣為認定為一執行經濟改革之領先者。

㈢於風暴當時開放其資本帳，有助於吸引外資及降低企業對短期負債及銀行融資之依賴度。國外直接投資之淨流入由 1997 年之 30 億美元，提高至 1999 年及 2000 年之

每年之平均 85 億美元。

㈣勞動市場彈性之增加亦有助於調整之過程。在雇用及實質薪資均有重大之調整，由於生產力之提昇，使得勞工成本急遽降低提高其競爭力。

㈤最後，對於改革之高度政治承諾是非常重要的，新的政治領導者於 1998 年執政後，致力於凝聚改革之共識。相反的，其他三國執行改革之承諾信心則較不強烈。經濟之復甦則相對延遲。同時也導致政策之不確定性。這些都將影響投資者及消費者信心之恢復。

以上討論之各項因素以及其相互作用，造就韓國成功之經濟改革，雖說有利之外在經濟因素為其成功之主因，但政府有效快速之政策執行，是使韓國較其他金融風暴受創國家更快、更強、及更廣恢復之基礎。

貳、我國與韓國金融重建背景之比較

我國目前亦積極從事金融改革，現已於立法院審查之金融重建基金基金條例部分條文修正案，其修正之重點即參考韓國金融改革之方向，除原有之經營不善金融機構退出市場機制外，另增訂以公共資金㈠收購金融機構不良債權，使其恢復正常業務經營以充分發揮資金中介之角色；㈡挹注資金於資本適足率低於 8%之金融機構，提高其風險承擔能力，並藉此促成金融機構之整併，改善過度競爭之金融環境。但以今日我國所面臨之經濟及政治環境，與前述韓國全面經濟改革成功之內外在環境因素相較，似較為不利，其主要原因分析如次：

一、全球之經濟情勢未見明朗，何時落底眾說紛紜，我國是否能如韓國於全面致力金融改革時，適逢另一次有

利之外在貿易需求擴增時機，進而帶動產業之成長擴張，仍有極高之不確定性。

二、我國之企業結構以中小企業為主，與韓國之大財團則有不同，韓國之經濟改革之重點在於金融改革及企業改革，但我國似未對經濟改革提出完整之措施。此外我國之不動產業以往之過度投資是否已去化完畢，以及敏感之兩岸及產業空洞化問題，均待解決面對。

三、我國之財政收支日漸困窘，公共負債比例不斷上升，運用公共資金進行改革或擴張政策之空間遠小於韓國。

四、政黨意見不易協調，農漁會信用部改革之議題又成為朝野爭議之焦點，金融改革難以凝聚共勢。

雖然有上開不利之因素，但儘速以公共資金解決我國金融機構之問題仍為必要之手段。以日本之金融改革為例，由於其政府始終無法面對金融體系之問題，承認金融機構之損失，一再錯過改革之時機，處理之成本亦不斷增加，致使其經濟常達十年不振仍未見起色。為避免陷入如日本經濟之泥沼，我國金融改革仍為必要採取之措施。

參、對我國金融重建基金擴大功能執行面相關規劃建議

一、不良債權之收購(預擬不良債權收購流程圖如附件一)

㈠事前規劃

1 建置資訊系統：由於未來重建基金擬收購之不良債權金額達新台幣一兆元以上，必需有功能完備先進之資訊系統始能因應收購之不良債權之建檔、分類、管理甚至評價所需，此一資訊系統之建置似可徵詢韓國KAMCO之意見，其承諾若重建基金有此需要，可協助建置開發適合我國環境之資訊系統。

2 不良債權資料庫之建立：存保公司訂定不良債權資料格式後，由各金融機構填報，將所有之逾期放款依該格式建檔，存保公司據以建立不良債權資料庫並購置相關之硬、軟體，完成不良債權之電腦作業系統，以利後續收購標的之選擇、定價及後續之分類、處理。依據韓國經驗，其係將不良債權分為一般債權(ordinary loan)及法院重整債權(Restructured loan)。

3 收購價格參考資料之蒐集：各金融機構最近三年不良債權回收率或擔保品價格資料之蒐集作為未來定價之基礎：

(1)要求各金融機構填報最近三年逾期放款之回收金額，並與當年度之逾期放款金額作比較，以此作為金融機構不良債權回收率之計算基礎。此一計算基礎所得出之收購價格較低但似較能反映金融機構自行催收之效率。

(2)不動產價格之蒐集：依土地使用類別及區域，蒐集法院之鑑訂價格、拍定價格、土地公告現值及房屋課稅現值。依據公正地三人認可及其公開拍賣程序辦法第四條規定，公正第三人申請設立核准文件應包括業務章則，而業務章則應包括不動產資料庫之建置。因此建議由金融資產服務公司擔任不動產交易資料庫之建置。並由財政部協調司法院提供近年法院強制執行拍定價格供該公司建檔。

(3)韓國之經驗：收購之價格：以不作實地查證(Due Diligence)為原則，又韓國對於不良債權之收購價格，依不同之類別而有不同之定價方式，一為一般放款(區分為有擔保及無擔保)，一為企業重整之放款

。一般放款之無擔保債權，以帳面金額之百分之三收購之；有擔保債權則根據法院拍賣平均得標率來決定收購價格(平均收購價格為擔保不動產鑑定評估額之 45%)，但以不超過債權之帳面價值以及最高限額抵押權二者孰低者為限，至於企業重整放款則以法院裁定之債權條件折算現值收購。上開之價格均應減除其他優先物權或相關處理費用。

(4)有關韓國 KAMCO 對擔保債權之收購價格之訂定，該國契約經濟日報每月均會公告法院平均拍賣得標率表，該表係將全國土地分為 24 個用途別及 242 個區域，依據法院拍賣之價格，得出不同使用別及不同地區之平均法院拍賣比率(得標價格/鑑定評估額)。KAMCO 於收購擔保債權時，即以該平均得標率乘以擔保品之鑑定價格作為收購價格，至該鑑價報告之費用由出售不良債權銀行負擔。

4 收購標的之選擇：以經重建基金集中收購處理，發揮較大效益者為原則。依此原則訂出優先次序如次：

(1)聯貸案件：聯貸案由於債權銀行多，銀行個別處理不易，亦缺乏經濟效益，由重建基金收購最能發揮其不良債權集散中心之功能。

(2)紓困案件：銀行體系之健全穩定與產業經濟發展密切相關，韓國成功渡過金融風暴另一重要改革則為企業重整。

(3)個人戶有擔保品者且債權金額逾一千萬元：此處之擔保放款，係指核貸時有徵取足額擔保品之放款，如因擔保品價值重估不足列為無擔保放款之部分，亦視為擔保放款，惟相對風險應反應於收購價格。

㈡收購作業

1 收購價格及收購優先次序經重建基金委員會同意後，建議由重建基金委由存保公司依主管機關強制讓與之命令，分洽各金融機構進行收購。由於韓國金融重整過程中，主要係以資本適足率低於 8%之金融機構為對象，列為處理對象者應將所有之不良債權全數出售予 KAMCO，另對於協助併購之金融機構則收購其百分之五十之不良債權，因此 KAMCO 之收購過程較無收購標的選擇之問題。

2 與被收購金融機構簽訂契約：金融機構未於規定期限內將逾期放款比率降至 5%者，建議財政部發函要求該金融機構將不良債權出售予金融重建基金，金融重建基金依該函與金融機構洽商，雙方訂定買賣契約，其相關之細節包括收購之標的種類、收購之價格，以及買賣雙方應交付之價款及相關之債權文件。

3 債權資料移轉之點交：存保公司完成收購作業後，出售不良債權之銀行金融機構應備妥資料檔案予存保公司點交，完成點交後，債權資料仍置於各相關銀行。

4 交割及債權公告事宜：各項債權及擔保物權之移轉登記、債權公告事宜，由存保公司委由台灣金聯資產管理公司辦理。

㈢債權銷售策略及組合包裝

由存保公司委由國際知名之財務顧問公司辦理。

㈣不良債權之管理

不良債權移轉金融重建基金後，未移轉處分前，有關訴追及抵押品之管理，由存保公司委由原銀行辦理。

㈤洽商國外具金融重整經驗之顧問

為汲取國外金融重整之成功經驗，存保公司宜聘請一財務顧問以提供專業意見，建議洽商對象為韓國之 KAMCO。

㈥其它配合措施

協調法院及地政機關簡化及統一產權登記之相關程序，如憑重建基金收購或處分不良債權之清單，據以辦理產權之批次登記，除可增加重建基金之收購效率亦可提高民營資產管理公司參與我國不良債權市場之意願。

㈦企業改革

1 韓國作法

目前我國財政部已持續進行金融改革，惟有關企業重整部分則待加強，參考韓國之企業改革，在法制方面，制定或修改企業結構促進法、合併破產法、企業重整專業公司法(CRC 法)及企業重整投資公司法(CRV 法)等。在實務執行上，則由債權人(銀行、KAMCO 或民營資產管理公司)推動企業改造。由銀行對潛在問題企業判斷經營復甦之可能性，以分別採行共同管理、和議程序及解散清算等手段。惟韓國銀行於實際推動公司重整方面多偏重於債權條件之改變，KAMCO 為提高企業改革成效，爰於近年來引進公司重整專家機制 CRV 及 CRC。

2 我國作法

(1)我國銀行公會所協調中華民國銀行商業同業公會創設銀行自律協商機制，對於營運及繳息正常，而有財務週轉需要者，到期需償還的本金，得展延六個月之作法相類似。未來重建基金條例通過後，雖得以公共資金挹注解決金融機構之問題，至有關企業重整部分，

由於金融重建基金僅為一基金之型態，其設置期間及發揮之功能有限，恐無法如韓國資管理公司(KAMCO)執行部分企業重整任務，因此有關我國企業之重整以有賴銀行及民營之資產管理公司。

(2)另由於我國銀行亦缺乏企業重整之經驗及專業，無法判斷經營復甦可能性，只能從事消極之債權條件變更，而無法作企業整體之診斷規劃。因此宜由經濟部等相關單位甚或參考國內外專家之意見，擬訂經濟發展政策作為重建基金收購企業不良債權之優先次序，再由重建基金轉售予具民營資產管理公司，由其決定資金再挹注或進行和議、解散、清算及申請破產等。

二、特別股入股(規劃處理流程如附件二)

㈠重建基金入股對象之篩選及處理之優先順序

1 金融重建基金入股之對象除資本適足率低於8%外，還應將逾期放款比率降至5%(自行轉銷或出售予資產管理公司)，以避免需第二次注資。

2 符合前開要件之金融機構(逾期放款低於5%，資本適足率低於8%)，則以資本適足率低者優先處理，俾以避免類此金融機構資產價值急速下降之窘境。

3 重建基金入股之金融機構，如有逾期放款出售予資產管理公司，且出售損失採分年攤提之情事者，則其淨值之計算應先扣除尚未攤銷之損失以反映其真實狀況。

㈡重建基金特別股入股應注意事項

1 依據重建基金條例修正草案，資本適足率低於 8%之金融機構，應先自行自救，例如辦理增資或發行次順位債券以充實資本，倘無法自救成功，方列入重建基金

入股對象。其中由於銀行自行辦理現金增資時，仍需依公司法或證交法相關規定辦理，其所應經之程序冗長包括召集(臨時)股東會，證券主管機關之核准等，而該基金之運用有其時間之限制(94 年 7 月底)，此為未來基金運作執行時亟待克服之困難。

2 入股前之實地查證(Due Diligence)：韓國之金融改革可分成兩階段，第一階段之不良債權收購及資本挹注，係自 1997 年底金融危機爆發後，第二階段則因為主管機關實施 FLC(Forward Looking Criteria)之資產分類標準致使金融機構之資本適足率又下降，爰有第二階段之收購不良債權及資本挹注。目前我國金融機構逾期放款之備抵呆帳提存率僅達 20%，依據金融改革後金融業之願景，逾期放款(低於 5%者)應提列 40%之呆帳準備，為避免未來重建基金二次入股之可能，或由重建基金承擔提列 40%備底呆帳之損失，爰入股前之實地查證，應將此一因素予以計入。

3 重建基金入股，其入股之金額以使資本適足率至少提昇至 8%為原則，惟可能視經濟之狀況而提高(依據韓國之經驗，KDIC 入股之金額係使金融機構之資本適足率提昇至 10%)。

4 重建基金如認購之特別股大於金融機構全部股本 50%以上者，基於不介入經營之原則，該基金仍將指派一名董事為限，惟為維護基金之權益，該名董事為當然之常務董事。至於董事之遴選則由幕僚單位提供建議之名單，再交由重建基金委員會決定。

5 未來重建基金處分特別股時，以不出售予原股東為原則，除非可證明該股東對於該金融機構之經營不善無

直接之責任。

㈢其他相關事宜

特別股入股之金融機應與存保公司簽訂瞭解備忘錄：

該瞭解備忘錄(MOU)應訂定被入股金融機構應履約之事項，如配合未來合併事項像之執行、員工簽訂切結書，承諾配合未來組織之調整等事項。

第七章　心得與建議

壹、心得

一、共識、決心及通盤全局規劃是金融改革能否成功之關鍵

二、處理金融危機應有之步驟：

- 控制系統性風險
- 建立金融危機專責處理單位
- 將隱藏損失全面認列
- 降低金融體系不良放款
- 強化銀行資本
- 公司／住宅不良放款活化機制
- 強化金融監理
- 管理及處分不良資產

三、處理金融危機應掌握之原則：

- 處理金融危機應訂定通盤完整之策略，以確保各項政策及目標能確實達成。
- 設置集中專責處理金融危機之單位，並賦予其特殊職權、配置適當預算及人力資源，係成功因應銀行體系危機之必要條件。
- 在金融重建過程中有效運用民間專業人力，對提高金融危機之處理效率極有助益。
- 迅速且真實承認銀行體系之潛在損失，係研議處理金融危機適當策略之先決條件。
- 金融機構是否具存續價值之相關決策應透明化，並經獨立專業人士確認。
- 一次大規模動用公用資金處理金融危機，較逐步或多

次動用更有效率且成本較低。

四、我國與韓國金融重建模式之比較

韓國	我國
一、金融重建背景	
㈠外匯型金融危機	
巨額短期外債屆期無法支付	無
㈡銀行體系金融危機	
銀行體系借入巨額短期外債支付企業長期投資需求，企業集團因過度投資爆發財務危機，銀行體系在資產面授信品質迅速惡化，負債面面臨外債到期無法償付之流動性危機。	銀行體系於 1990 年代股票市場、不動產市場大幅飆漲及開放商業銀行新設後短短數年期間過度授信，其後該等市場價格持續下跌，借款人無力償付，銀行逾放比率持續攀高，該等潛在損失已非銀行體系能自行因應。
㈢財政經濟狀況	
1 政府公共債務不高，有條件採取擴張性財政政策及貨幣政策，帶動內需型之經濟成長。 2 高儲蓄率，消費仍強勁。 3 不動產內需強，營建業大幅增加投資。	1 經濟成長表現不佳，惟因政府公共債務負擔重，致政府採取擴張性財政政策帶動內需型經濟成長較有疑慮。 2 民間消費衰退。 3 不動產市場仍呈低迷。
二、動用公共資金規模及用途	
㈠動用規模	
可動用 156 兆韓圜，占	約可動用 1,400 億台幣，占

韓國	我國
GDP25%。	GDP1.4%，已動用約 950 億(含應付利息)，擬修法擴大財源至一兆五百億元(占GDP10.5%)。
㈡資金用途	
1.以促成併購或賠付方式，讓問題金融機構順利退出市場。 2.收購退出市場金融機構及健全金融機構(有合併問題金融機構)之不良放款。 3.對具繼續經營價值但資本不適足之金融機構注入股本。	1.以促成併購或賠付方式，讓問題金融順利退出市場。 2.承受退出市場金融機構之資產 3.對具繼續經營價值但資本不適足之金融機構注入特別股。 4.擬修法擴大功能增列得收購正常營運金融機構不良資產並明訂對資本不適足機構注入特別股之相關程序及權限。
三、金融重建組織運作	
㈠設立專責機構及特殊任務小組負責金融重建政策	
成立金融監理委員會(FSC)專責掌理，納入學者專家為委員，決策採合議制，下設專職之特別任務小組負責規劃。	仍由財政部專責掌理，首長制，未設專職之特別任務小組負責規劃。
㈡設立專責機構監督公共資金之運用	

韓國	我國
1.成立公共資金監督委員會，負責公共資金運用之准駁，委員共八名，由財經部部長及外部專家共同擔任主任委員，負責金融重建政策制定之 FSC 主任委員為委員之一，另設四名非官方之經濟專家為委員，由總統任命。 2.下設秘書室專責處理委員會事務。	1.設立金融重建基金管理委員會負責公共資金之運用，委員共十三名，主任委員亦為負責金融重建政策之財政部部長，非官方之遴選委員三至七名，由主任委員選聘。 2.相關庶務及幕僚由金融局人員兼任。
㈢成立相關附屬委員會協助相關審核及諮詢事宜，以提高決策及執行品質	
1. 為審核處理不良資產之妥適性，特別法明定公共資金監督委員會應成立資產處理審核附屬委員會（Disposal Review Subcommittee）邀請處理不良資產專家擔任委員。	未設置相關附屬委員會協助相關決策或諮詢事宜
2. 邀集外部之金融、法律及會計專家組成 MOU 遵循諮詢會(MOU Compliance Council)，對不能達成 MOU 約定目標之金融機構之處置提供意見，以求處理之透明	

韓國	我國
及客觀。	
四、改革層面	
同步進行金融改革、企業改革、勞動改革、公共改革，作為爭取投入公共資金立法之後盾，致可獲得立法支持。	以金融改革為主，其他層面是否有配合改革未同步提出，外界不容易瞭解全面改革程度，致擴大功能修法案尚未獲得共識。
五、相關金融監理配套措施	
1.實施新放款分類與備抵呆帳損失提列標準，符合國際金融規範。 2.實施立即糾正措施並明訂金融機構退出市場門檻，強化金融監督機能。 3.提高銀行資訊揭露制度，提升銀行經營透明度。	1.利息延滯及協議分期個案列報逾放尚未符合國際標準。 2.尚未實施透明化之立即糾正措施，由主管機關依個案狀況裁量處理。 3. 自 90 年起要求各銀行將其重要財務業務資訊定期於網站揭露，並一併揭露會計師查核簽證或核閱財務報告之意見。

貳、建議

依據上述心得及比較結果，謹就我國未來金融重建之路研提相關建議如下：

一、金融重建基金擴大功能修法案宜儘速通過，以利金融重建及經濟發展

健全之金融體系為產業發展之基石，惟有健全金融市場，始得以協助產業及經濟持續發展。目前國內

金融機構因開放銀行新設過度競爭結果，獲利及逾放情形處於歷年來最嚴峻狀況，近年來雖然全體金融機構積極轉銷呆帳，惟整體金融機構逾期放款比率仍繼續攀升，已非單以體制內監理措施及金融機構本身自行努力所能改善。而金融機構偏高之逾期放款，將影響其承貸意願，造成金融體系信用緊縮現象，影響企業融資管道及投資意願，進而延緩產業及整體經濟之發展。金融改革已迫在眉睫，今日不做，明日的處理成本就越高，呼籲立法院宜儘速通過該項金融重建基金財源擴大方案，透過重建基金之運作，可快速降低銀行體系逾放，重建銀行資本，並在重建過程中，透過合併，消除銀行家數過多的問題，達到有效促進產業及整體經濟發展之目標。

二、動用公共資金投入金融改革，應同時就企業改革、勞動改革及政府改造等方面之相關配套措施，提出完整說帖，以形成共識與支持

目前各界對金融重建基金條例擴大功能案多有批評，除對擴大功能至注入特別股及收購不良債權是否適當有所討論外，主要係對再投入一兆五百億元巨額資金之成效無法確定所致。分析韓國從事改革投入之公共資金高達156兆或GDP25%，可獲得立法部門及社會大眾之支持，主要原因除為國家面臨存亡之秋外，另一原因係韓國政府誠實面對其經濟、金融、企業等之結構性問題，提出全方位之改革藍圖，讓大眾瞭解問題所在及解決之道。目前我國政府面對經濟、金融及企業之相關問題，政府各部門應已有陸續提出相關因應及改革方案，惟並未一併提出說明，故建議政府應將各相關部門有同步進行改革之藍圖完整勾勒，以利各界瞭解，並進而形成共識與支持。

三、為確保金融體系之安全與穩健，我國於推動金融改革

時宜同時推動企業改革，並由政府相關單位提出具體解決方案

所謂企業改革，係指對企業經營面臨之問題，提出總體解決方案，以提昇企業及經濟競爭力，並確保金融體系之安全與穩健。上開總體解決方案通常包括：強化並落實公司治理、產業政策之制定、投資環境之改善、順暢的資金融通管道，以及問題企業重建、重整、破產程序之改進，使有繼續經營價值企業得藉由重建而重新出發，不具經營價值者適時退出市場，以維護債權人利益及自由市場經濟。

鑑於銀行之資產結構係以放款為主，其中尤以企業放款之比重為高，故企業借款戶倘無法償債，銀行體系之改革將難竟其功。各國經驗顯示，對面臨嚴重負面經濟景氣衝擊之國家而言，惟有加強協助企業改善其營運及財務狀況，使其恢復償債能力，方可避免影響銀行之貸放意願而造成信用緊縮，進一步衝擊經濟，產生惡性循環。

韓國為確保金融改革之成效，於1998年初即同步推動企業改革，除強化公司治理機制，要求企業健全內部管理制度外，另針對該國企業產能過剩、負債過高及經營虧損等問題進行結構性改革，包括要求企業降低負債比率；取消大型企業集團相互持股、相互借貸保證；提高企業自有資本、改善資本結構；要求大型企業專注經營具競爭力之核心產業，並加強與中小企業之合作；透過KAMCO、債權金融機構及國外資產管理公司(AMC)，推動企業重建及營運正常化機制，讓有經營價值之問題企業，能順利取得資金恢復正常經營，無經營價值企業則適時退出市場；由政府建立「企業重整協調委員會」，協助解決債權人間或債權債務人之糾紛等各項措施。

目前我國金融機構因逾期放款偏高，已衍生信用緊縮現象，影響企業融資管道及投資意願，進而延緩產業及整體經濟之發展。政府為解決上開問題，雖已提出金融重建基金財源擴大方案，期藉以快速降低銀行體系逾放比率並重建銀行資本。惟為預為防範逾期放款再度擴增又損及金融機構體質，我國在推動金融改革之同時，並建議由經濟部、經建會等相關單位，針對目前企業經營遭遇之瓶頸、我國產業政策方向、投資環境之改善，參酌業者及專家意見，提出具體解決方案，並配合檢討相關法規制度，以求根本解決企業及金融問題，並降低金改成本，進而提昇我國產業與經濟競爭力。

四、政府對問題企業之重建，應立法建立以債權金融機構為中心之機制，賦予債權金融機構必要之權限與責任，並組成企業診斷及協調委員會協助機制運作

鑑於金融機構為收回債權，對協助其貸款企業重建具有強烈誘因，故韓國係透過立法強化債權人權力之方式，由債權金融機構擔任推動問題企業重建之核心，並授予債權金融機構必要之權限與責任，以協助其主動、迅速及有效地推動企業結構調整。透過上述方式，不僅使韓國金融改革之成效更為顯著，並有效提昇了產業競爭力，其成功經驗頗值借境。

為有效進行企業重建，政府除應加速推動相關既定之公共建設及投資，促進經濟成長外，並宜立法對問題企業貸款達一定百分比以上之債權金融機構，建立其積極主導及督促企業自發性地進行結構及體質調整之機制，並賦予其必要權限(如：經評估無經營正常化可能之問題企業，債權機構應即向法院申請命令解散或清算)與責任(如：債權機構未依法履行其應盡責任者，應受相關罰則懲處)。另為避免債權金融機構只從

事消極之債權條件變更，而未對企業進行整體之診斷規劃，故法上應明定更積極及彈性之問題企業結構調整方式，包括進行聯合管理、與問題企業訂定管理正常化協議、進行債權調整(如：延長償債期間、減免本息、以債轉股等)、增貸(應優先受償)等，並應定期評估結構調整計畫之成效，作為是否繼續拯救問題企業之依據，俾透過更積極之問題企業結構調整方式，以強化整體企業改革成效與產業競爭力。

在未修法前，建議可先由銀行公會基於整體利益之考量，協調會員協商出更積極可行之主導機制及需政府協助之配套措施，以取代目前消極性之紓困作法。另為協助債權金融機構推動上述主導機制，並建議由經濟部、財政部、工商業總會及銀行公會等推派專家學者，組成企業診斷及協調委員會，專責評估企業是否具經營價值、債權債務糾紛之協調等事宜。

此外，為因應進行金融改革及企業改革過程中可能引發之勞資糾紛及失業衝擊，宜由勞委會規劃妥善因應方案及協調機制，以降低改革阻力。

五、金融重建基金管理委員會宜編制專責且具備併購、銀行重整、債務重整及不良放款專業之決策及幕僚人員

金融重建涉及專業程度非常高，投入的時間及精力均相當可觀，因此韓國在從事金融重建之過程中，除成立金融監理委員會(FSC)專責金融重建之決策，並納入學者專家為委員，決策採合議制，俾整合各界意見，委員會並下設專職之特別任務小組負責幕僚規劃。為監督公共資金之運用，另設置公共資金監督管理委員會(與我國金融重建基金管理委員會功能類似)，由財經部部長任主任委員，委員八人中有四名為經濟專家，由總統任命。由上述運作模式可知，該國進行金融改革相關重視專業，而國家領導者亦從任命委員過程參與並分擔金

融改革決策成敗之責任。我國有關金融改革之決策，仍循正常業務分工，由財政部專責掌理，屬首長制，且未設專職之特別任務小組負責規劃，而係由已承擔繁重金融監理工作之金融局官員兼辦，並同時擔任金融重建基金委員會之兼職工作，似有一人兼辦數職之累。韓國之作法，相關幕僚人員較能全心投入，較易整合外界專業意見，且可納入具併購、銀行重整、債務重整及不良放款專業之人才擔任，有利於提高決策品質及作業效率。

六、國際金融監理相關措施應與重建基金擴大財源及功能修法案同步實施

金融重建步驟中，最重要的一項是應將隱藏損失全面認列，俾利加速問題金融機構之處理，並降低公共資金處理成本。為達上開隱藏損失全面認列之目的，我國重建基金擴大財源及功能修法案如順利通過時，主管機關應同步實施依國際標準定義逾期放款、立即糾正措施，及明訂金融機構退出門檻等與國際接軌之強化監理措施，並委託會計師依一致性的評估標準，確認金融機構之淨值，以利認定個別金融機構是否應退出市場或具繼續經營價值，並避免由公共資金分擔原股東應承擔之損失。

七、政府應就金融重建基金發行金融債券事宜明定相關作業辦法，以利資金籌措

韓國政府為進行金融改革所動用一百五十餘兆韓圜之公共資金中，近七成係以發行政府保證債券之方式籌資，而於收購NPL或辦理問題機構資本挹注時，亦多以債券交付以取代現金，除可增加政府籌資之彈性及避免金融體系間龐大之資金流動外，並可活絡韓國之債券市場。

我國金融重建基金條例修正案中，已明定基金辦理賠付時，得委託存保公司準用銀行法第七十二條之

一發行金融債券；另為收購金融機構不良債權及認購金融機構之特別股所需資金，基金亦得委託存保公司發行金融債券或洽請財政部代為發行自償性公債，並得直接交付債券予受援助之金融機構。前開規定建立了我國處理經營不善金融機構時，除向健全金融機構融資外更多元化之籌資管道，惟發行金融債券依銀行法第七十二條之一辦理，因存保公司非銀行，發債性質及目的與一般銀行發行金融債券迥異，造成實務上窒礙難行。為使未來重建基金之籌資過程更為順暢，建議政府應針對存保公司發行金融債券乙節，儘速訂定由主管機關發布之作業辦法。

八、政府宜引導金融機構自行處理NPL，協助我國NPL市場之建置與蓬勃發展

韓國在金融危機初期，由於待處理之NPL金額龐大，且當時金融市場尚無相關之機制與技術，故由政府投入大量公共資金，並責成KAMCO集中處理金融機構之NPL，乃不得不爾之階段性作法，且KAMCO亦表示協助該國建立以市場經濟為原則之NPL市場為其終極目標之一。

反觀我國在政府積極要求金融機構降低逾放比率之政策下，NPL市場衍然成形，金融機構透過與外國投資銀行與資產管理公司之合作，已自行處理之NPL金額約二千餘億元，市場人士更預測未來將有四、五千億元資金陸續投入NPL市場。故政府實宜繼續引導由市場自行消化處理NPL，除可協助推動我國NPL市場之建置與穩定發展外，並可藉由市場機制提高處理效率。

九、對於金融機構無法自行解決而需由政府介入處理之NPL，其收購宜結合經濟政策，並遵循市場機制處理

在韓國金融重整過程中，主要係以金融機構之資

本適足率作為是否收購NPL之標準，倘低於百分之八則強制將NPL全數售予KAMCO，另對於高於百分之八者，則由金融機構自行決定是否出售其百分之五十之NPL予KAMCO，故KAMCO之收購過程較無收購標的選擇之問題。

反觀我國目前之規劃，對於金融機構無法於規定期限內將逾放比率降至一定標準以下者，將由重建基金就該等機構之NPL進行選擇性收購，使其逾放比率得降低至前開標準以下，故重建基金將產生如何擇定收購標的之問題。為使收購標的及程序得以透明及避免政治力干預，政府宜結合經濟發展政策，成立跨部會專案小組明定NPL 之收購政策與目標，並參酌市場專家意見，並依該收購政策決定收購之優先順序及後續處理策略。此外，由於此時金融機構無法自行解決之NPL應屬較不具市場性者，故重建基金之收購價格應以不高於市價為原則，以避免金融機構過度仰賴重建基金之收購而缺乏自行處理之意願，而對目前已形成之民營NPL市場造成不利衝擊，影響市場機制。

十、對促進不良債權交易效率之相關建議

㈠建請財政部與內政部研議於地政處設立單一窗口，統一辦理抵押權移轉之批次登記

金融機構辦理併購時，有關放款資產不動產擔保品抵押權之移轉登記，依企業併購法第二十五條規定得以批次辦理，惟對不良債權之抵押權移轉登記是否可比照辦理並未規定，為提高移轉登記作業效率，建議財政部與內政部洽商可採批次辦理或於重建基金條例或金融機構合併法中增訂準用依據；又鑒於收購之銀行不良債權遍及全省，參考韓國作法，亦一併建議財政部與內政部研議於地政處設立單一窗口，統一辦理批次移轉登記。

㈡對不良債權讓與公告方式應有一致性之作法

依「金融機構合併法」不良債權讓與時只需公告即可，惟目前法院或地政機關實務運作上，仍要求讓與債權之金融機構依民法程序對各借款人逐一寄發存證信函，始生效力，建議財政部與司法部門溝通，採統一之作業方式，並就公告應函蓋之內容予以明定，如應否包含保證人等，以利執行。

㈢強化公正第三人拍賣之執行效力，以加速不良債權之處理

為加速擔保品之拍賣，以利不良債權之回收，我國於金融機構合併法雖訂有公正第三人拍賣制度，惟由公正第三人進行拍賣所為之註記，僅具公示效力，並無查封效力，且公正第三人亦缺乏公權力，無法查封標的物，導致不點交，以及聲請假扣押仍需透過法院公權力始能執行等諸多困難，有違立法美意，未來金融重建基金收購不良債權並由公正第三人拍賣，亦將面臨同樣問題，建議財政部修改金融機構合併法，強化公正第三人執行效力，以利處理。

十一、儘速建置全國不動產法院平均拍賣率資料庫

KAMCO 於收購擔保債權時，主要係參考法院平均拍賣得標率表，該表係將全國土地分為二十四個用途別及二百四十二個區域，依據法院拍賣之價格，得出不同使用別及不同地區之平均法院拍賣比率，此項作法對不良債權公平市價之決定頗有效率且具備公開透明之優點，爰建請財政部協調法院儘速建置全國不動產法院平均拍賣資料庫，該資料庫之建置，對法院拍賣擔保品底價之訂定亦極具參考價值。

十二、金融重建基金屆期恢復限額存款保險前，應擬妥相關配套措施，以利制度轉換

韓國政府於全面保障(blanket guarantee)制度轉換為

限額存款保險前，曾參酌 IMF 之研究報告建議，研擬縝密之制度轉換施行計畫(action plan)，並於回歸限額保障前一年，每二個月進行密集宣導一次，並於宣導後辦理問卷調查，以確認制度回歸後可能之影響，在其審慎之規劃下，使制度之轉換頗為順利。

依我國目前金融重建基金之修正規劃，該基金對其處理之問題機構提供全額保障之措施，將於九十四年七月底滿期，屆時將全面恢復存款保險限額保障制度。建議應參酌韓國作法於金融重建基金滿期前，積極利用各種媒體進行宣導，俾民眾充分得知基金滿期之時點與其存款所受保障之情形。此外，應就金融監理、存保機制及外部監控等進行制度轉換之相關配套措施，如建議推行立即糾正措施、引導經營不善的金融機構及早退出市場；厚植存保基金，提高存保公司處理問題機構之能力；參酌金融環境之變遷，研議適當之最高保額水準；實施金融機構資訊公開揭露制度，並採漸進方式落實至基層金融機構等，俾屆時恢復存款保險限額保障制度後，透過金融監理與存保制度及市場制約力量的強化，使我國整體金融環境與金融機構經營狀況有效提昇，進而使存款人的權益得到更完善的保障。

十三、存保公司宜設置過渡銀行，以提高處理問題要保機構效率

韓國存款保險公司依法得設置金融清理機構，以承接停業要保機構之營業、契約或清理程序等，可靈活處理停業要保機構，以利存款人權益之保障。我國現行存款保險條例，並無存保公司得設置過渡銀行之制度，鑒於存保公司辦理存款保險業務與停業要保機構之金融業務不同，二者性質之差異，致存保公司如直接承受停業機構資產負責及業務，會衍生諸多財務、

業務等問題，執行上有窒礙難行之處。建議參考韓國制度，存保公司得成立過渡性銀行，以處理停業要保機構，俾切合實務之需。

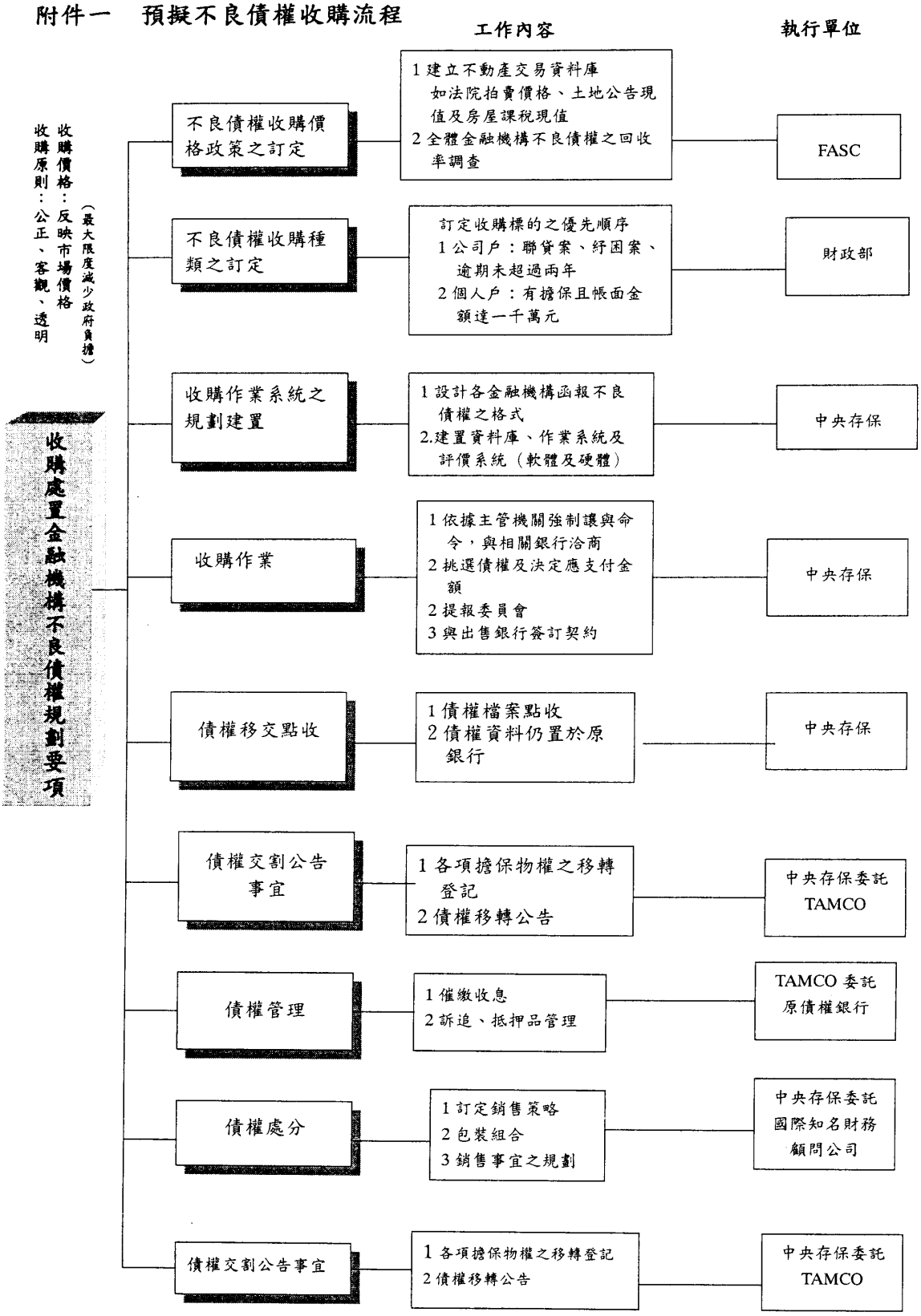
十四、金融重建基金之運用及回收情形應定期公布，以提高透明度

金融重建基金之設置係動用公共資金以處理經營不善金融機構，為提高透明度，消除外界對基金使用情形之疑慮，有關金融重建基金之運用與回收相關資訊，宜參考韓國出版白皮書定期公布方式，定期以網路登載或其他方式公布，以昭公信。

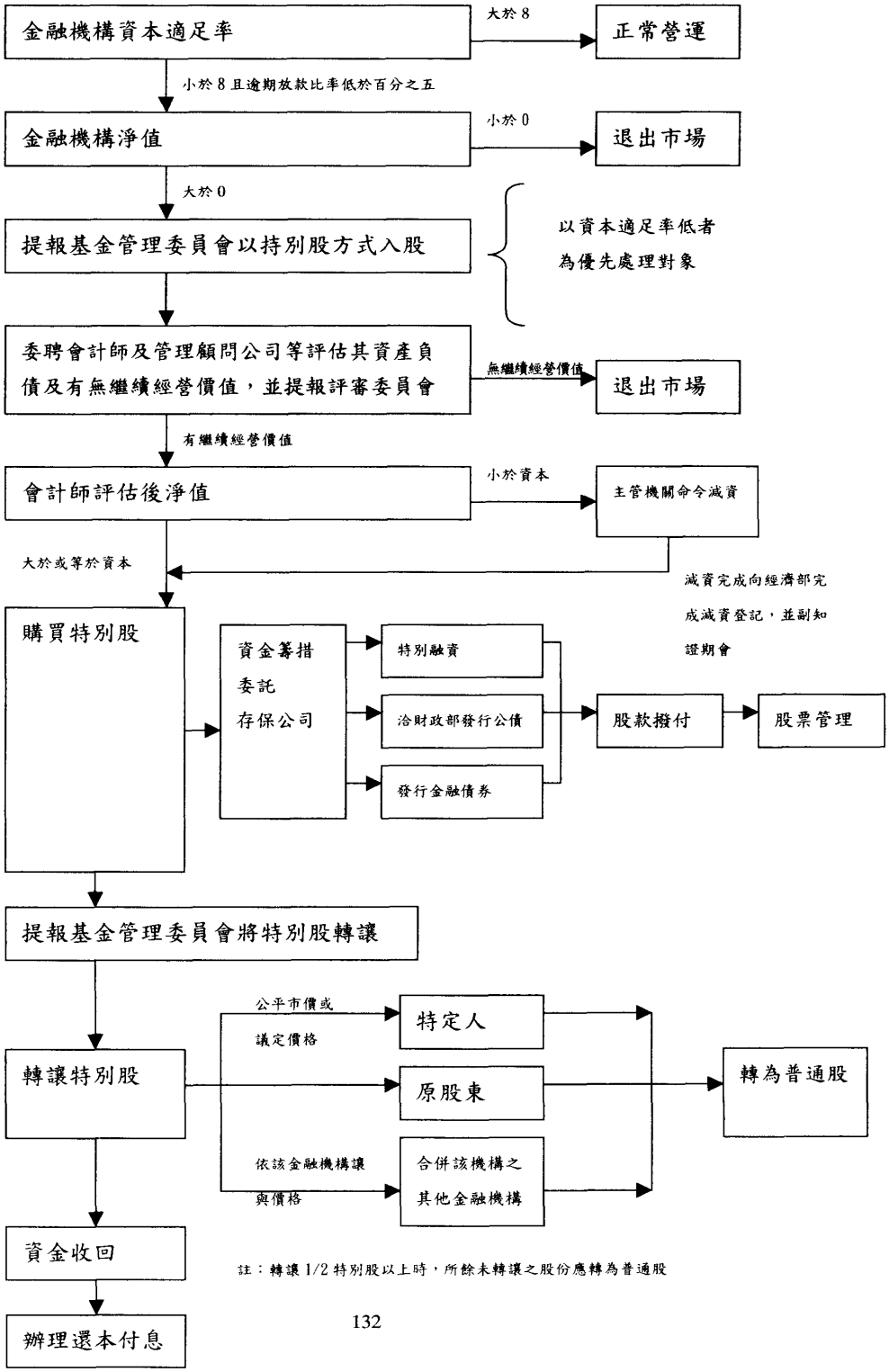
十五、設立金融專業法庭，加速對金融犯罪人員之責任追究

鑒於重大金融犯罪案件爆發，除損害存款人權益外，更對整體金融環境造成衝擊，影響金融體系安定，故對金融機構違法舞弊者，應積極追究其民、刑事責任，使違法者儘速接受法律制裁。目前雖已研議修法要提高金融犯罪之刑度，然如不能儘速將違法者繩之以法，恐亦難發生嚇阻犯罪效果。鑑於金融舞弊具有技術性及複雜性，相關犯罪事證追查不易，過去各法院受理有關重大金融犯罪案件，常因帳證浩繁致難以審結，故為有效追訴，除應加強行政機關與司法機關間之合作外，應設立專業法庭，由具金融專業背景法官負責審理，俾加速對違法金融案件審判速度，以收儆懲之效。

附件一　預擬不良債權收購流程



附件二　預擬特別股規劃處理流程



註：轉讓 1/2 特別股以上時，所餘未轉讓之股份應轉為普通股

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ACT ON THE STRUCTURAL IMPROVEMENT OF THE FINANCIAL INDUSTRY

Act No. 6429, Mar. 28, 2001.

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to contribute to the balanced development of the financial industry by supporting the structural improvement of the financial industry such as the merger, conversion or reorganization of financial institutions, promoting sound competition among financial institutions and improving the efficiency of financial business.

Article 2 (Definitions)

The definitions of terms as used in this Act shall be as follows:

1. The term "financial institutions" means those falling under any of the following items:

(a) Financial institutions established under the Banking Act;

(b) Long-term credit banks established under the Long-Term Credit Bank Act;

(c) Securities companies and investment advisory companies established under the Securities and Exchange Act;

(d) Management companies established under the Securities Investment Trust Business Act;

(e) Insurers established under the Insurance Business Act;

(f) Savings banks established under the Savings Banks Act;

(g) Trust companies established under the Trust Business Act;

(h) Merchant banking corporations established under the Merchant Banking Corporation Act;

(i) Financial holding companies under the Financial Holding Company Act; and

(j) Those other institutions engaged in financial business pursuant other laws as prescribed by the Presidential Decree.

2. Deleted; <by Act No. 5496, Jan. 8, 1998>

3. The term "ailing financial institutions" means financial institutions falling under one of the following:

(a) A financial institution determined by the Financial Supervisory Commission or the operating committee referred to in Article 8 of the Depositors Protection Act whose liabilities exceed their assets as a result of assessing the management status of such financial institutions, or the financial institutions which are considered unable to manage normally because their liabilities exceed their assets due to the occurrence of major financial incidents or the existence of large bad credits. In this case, the liabilities and assets shall be assessed and calculated by criteria determined by the Financial Supervisory Commission in advance;

(b) A financial institution which has suspended the payment of deposit claims of depositors (hereinafter in this article referred to as "deposits and other claims") referred to in subparagraph 4 of Article 2 of the Depositors Protection Act or the redemption of money borrowed from other financial institutions; and

(c) A financial institution recognized by the Financial Supervisory Commission or the operating committee mentioned in Article 8 of the Depositors Protection Act as being unable to pay deposits or other claims or to repay borrowings without the financial assistance of outside or special borrowings (excluding ordinary borrowings incurred from routine financial transactions).

4. The term "takeover" means where a person who is not deemed to have direct control of the management of the financial institution concerned, such as a person who is not the stockholder or officer of such financial institution or who owns a shareholding ratio of stocks lower than that prescribed by the Presidential Decree, acquires the stocks of such financial institution, becomes the largest stockholder and

has de facto control over such financial institution;

5. Deleted. <by Act No. 5496, Jan. 8, 1998>

6. The term "bankruptcy participating authorities" means those falling under any one of the following:

(a) The Korea Deposit Insurance Corporation established under the Depositors Protection Act (hereinafter referred to as the "KDIC") for the financial institutions and securities companies, as the case may be, listed as items (a), (b), (c) and (e) through (h) of subparagraph 1; and

(b) The Financial Supervisory Service established under the Act on the Establishment of Financial Supervisory Organizations (hereinafter referred to as the "FSS") for investment advisory companies listed as item (c) in subparagraph 1 and financial institutions listed as items (d) and (i) in subparagraph 1.

7. The term "deposit claims" means the claims which a party to a transaction has against money raised from unspecified persons as part of the business in which any financial institution engages with authorization or permission, etc. under the laws mentioned in each of the items of subparagraph 1;

8. The term "depositors" means persons who have deposit claims against financial institutions; and

9. The term "officer" means a director or a statutory auditor (including a member of the audit committee if such committee is established under the Commercial Act or other relevant laws and regulations) of a financial institution.

CHAPTER II MERGERS AND CONVERSIONS OF FINANCIAL INSTITUTIONS

Article 3 (Mergers and Conversions of Financial Institutions)

Any financial institution may become the same or a different type of financial institution as a result of a merger with the same or different type of financial

institution or it may be converted into a different type of financial institution altogether.

Article 4 (Authorization)

(1) When a financial institution intends to merge with another financial institution or to convert itself into another type of financial institution under this Act, it shall obtain an authorization from the Financial Supervisory Commission in advance.

(2) Deleted. <by Act No. 5496, Jan. 8, 1998>

(3) In granting the authorization under paragraph (1), the Financial Supervisory Commission shall review compliance with the following criteria:

1. The objective of the merger or conversion is appropriate and does not harm the financial efficiency and sound credit order, without causing apprehension of any contraction in financial transactions or disadvantages to existing transactors;

2. The merger or conversion does not substantially restrict competition among financial institutions;

3. The intended scope of business after any merger or conversion is appropriate and the organization and manpower is complete system-wise with the capacity to perform such business;

4. There is no error in implementing the process under the Commercial Act, the Securities and Exchange Act and other relevant laws and regulations; and

5. The criteria set by the Financial Supervisory Commission, which correspond to the criteria set out in subparagraphs 1 through 4 above, is complied with.

(4) Where the Financial Supervisory Commission intends to grant authorization of the merger of financial institutions, it shall confer in advance with the Fair Trade Commission as to whether it would substantially restrict competition among financial institutions as mentioned in paragraph 3, subparagraph 2.

(5) The Financial Supervisory Committee may, when deemed necessary for the sound

development of the financial industry in light of the criteria mentioned in each of the subparagraphs of paragraph (3), set conditions on the authorization obtained under paragraph (1).

Article 5 (Simplification etc. of Procedures of Mergers and Conversions)

(1) Where a financial institution obtains authorization to merge or convert pursuant to Article 4, it shall be deemed to have obtained authorization, permission or designation of the business, closure of business or merger of a financial institution under the laws mentioned in each item of subparagraph 1 of Article 2.

(2) When an unlisted financial institution obtains a stockholders' approval pursuant to Article 522 of the Commercial Act after the lapse of seven (7) days from the date of its registration pursuant to Article 3 of the Securities and Exchange Act, in case of a merger of a listed financial institution with such unlisted financial institution under the Securities and Exchange Act, the approval shall be effective notwithstanding the provisions of Article 190 of the Securities and Exchange Act.

(3) Notwithstanding Article 232 (1) proviso of the Commercial Act, a financial institution may, when a resolution for merger is adopted at a stockholders' meeting, publicly announce that creditors submit objections to the merger by allowing them a period of at least ten (10) days in two (2) or more daily newspapers. In this case, individual notices to each creditors may be omitted.

(4) Notwithstanding Article 363 (1) of the Commercial Act, a financial institution may give each stockholder written notice that a stockholders' meeting will be convened to adopt a resolution regarding a merger seven (7) days prior to the date of such stockholders' meeting. In this case, the financial institution shall make a public announcement of the convening of the stockholders' meeting and the matters to be adopted in such meeting in two (2) or more daily newspapers two days prior to the date of giving such written notices.

(5) Notwithstanding Article 522-2 (1) of the Commercial Act, in case financial institutions merge with each other, they may keep their balance sheets at their head offices from seven (7) days prior to the date of stockholders' meeting for the resolution of the merger.

(6) Notwithstanding Article 354 (4) of the Commercial Act, financial institutions may, when they have closed the register of stockholders or determined the base date for closing thereof for the resolution on a merger pursuant to Article 354 (1) of the Commercial Act, publicly announce the fact seven (7) days before the closing date or the base date for closing. In this case, such public announcement shall be made in two (2) or more daily newspapers.

(7) Paragraph (6) of Article 12 shall apply mutatis mutandis where financial institutions consolidate their stocks following the merger. In this case, an individual notice to each stockholder may be substituted for a public announcement in two (2) or more daily newspapers.

(8) Paragraphs (7) through (9) of Article 12 shall apply mutatis mutandis to the exercise of dissenting stockholders' right to request for stock purchase in case the resolution of merger is adopted by the stockholders' meeting of the concerned financial institution; provided that where the merger is made without financial assistance from the Government or the KDIC (hereafter referred to as "Government, etc."), when such financial institution is a listed corporation under the Securities and Exchange Act, the provisions of Article 191 paragraph (3) of the same Act shall apply mutatis mutandis to the determination of the stock purchase price.

(9) In case of a merger under this Act, acquisition tax in consequence of the acquisition of real estate, etc, registration tax in consequence of the registration of a juridical person or real estate, etc., corporate income tax on liquidation income of the financial institution which ceases to exist due to the merger, income tax or corporate income tax on the constructive dividend to stockholders of the financial institution which ceases to exist due to the merger or any other taxes may be reduced or exempted in accordance with the Tax Reduction and Exemption Control Act or other laws or regulations on tax reduction and exemption.

(10) Where a financial institution obtains a resolution on a merger at its stockholders' meeting, the Korea Securities Depository stipulated in Article 173 of the Securities and Exchange Act (hereinafter referred to as the "KSD") may, notwithstanding Sub-paragraph 3 of paragraph (5) of Article 174-6 of the Securities and Exchange Act, exercise its voting rights. However, the KSD shall, in exercising its voting rights, not influence the resolution to be made by the number of voting stocks remaining after deducting the number of voting stocks to be exercised by the KSD from the number of voting stocks present at the stockholders' meeting concerned.

(11) Paragraph (4) shall apply mutatis mutandis to convening a stockholders' meeting for reporting an amalgamation by absorption or the inaugural general meeting in case of incorporating a new company by consolidation in accordance with the provisions of Articles 526 and 527 of the Commercial Act.

Article 5-2 (Simplification of Procedures for Capital Reduction and Stock Consolidation)

Paragraphs (3), (4) and (6) of Article 5 shall apply mutatis mutandis to the presentation of objections by creditors and the period and procedures for convening a stockholders' meeting in case a financial institution obtains a resolution regarding its capital reduction by means of retirement or consolidation of stocks and paragraph (6) of Article 12 shall apply mutatis mutandis to the period and procedures for the consolidation and retirement of stocks.

Article 6 (Termination Date of Fiscal Year of Financial Institution Prior to Conversion)

(1) Deleted. <by Act No. 5549, Sep. 14, 1998>

(2) Where a financial institution changes to a different type during any fiscal year, its fiscal year prior to the change shall be deemed to have terminated on the registration date of the amendment to its articles of incorporation with respect to the change of its business type.

Article 7 (Report on Execution of Authorized Matters and Lapse of Authorization)

(1) Where a financial institution merges or converts pursuant to Article 4, it shall report such fact without delay to the Financial Supervisory Commission.

(2) Where a financial institution fails to register the merger or conversion according to the authorized contents within six (6) months from the date of obtaining authorization mentioned in Article 4, the authorization shall become void; provided that the period may be extended where the Financial Supervisory Commission finds reasonable grounds.

Article 8 (Support for Merger of Financial Institutions)

(1) The Government, etc. shall, when it deems accelerating voluntary mergers of financial institutions necessary, may provide financial support such as investments for the financial institution which will be newly established as a result of the merger or which will survive a merger under this Act as prescribed by the presidential Decree.

(2) Financial institutions newly established as a result of mergers or which survive a merger under this Act may continue to perform their pre-merger businesses prescribed by the Presidential Decree for a period set by the Presidential Decree in accordance with laws and subordinate statutes applicable to the financial institutions concerned after obtaining authorization from the Financial Supervisory Commission. In this case, Article 9 (1) shall not apply.

Article 9 (Continuance, etc. of Business Pursuant to Merger or Conversion)

(1) Where a financial institution, which is newly established as a result of a merger, continues to exist after a merger, or is converted as a consequence of a merger or conversion under this Act, assumes from a pre-existing financial institution rights and businesses relating to agreements which it is not permitted to conduct under the applicable statutes, it may continue to conduct the businesses carried out by the pre-existing financial institution for six (6) months from the registration date of the merger or of the amendment to its articles of incorporation with respect to the change of its business type. However, where it assumes the rights and businesses related to agreements the performance of which exceed six (6) months, it may continue to conduct the assumed business and the businesses incidental thereto which the Financial Supervisory Commission deems inevitable for the performance of the said businesses until the agreements terminate.

(2) When a singe person (referred to in Article 15(1) of the Banking Act) comes to own or actually controls the stocks of a financial institution, which is newly established, continues to exist or is converted as a consequence of a merger or conversion under this Act, in excess of the limit provided in Article 15(1) of the Banking Act of the total issued voting stocks at the time of the merger or conversion, he shall comply with Article 15(1) of the Banking Act within three (3) years from the registration date of the merger or of the amendment to articles of incorporation with respect to change of its business type. In this case, the scope of exercising his voting rights of the stocks concerned shall be restricted to the limit referred to in Article 15

(1) of the Banking Act from the registration date of the merger or of the amendment to its articles of incorporation with respect to change of its business type. However, where the Financial Supervisory Commission deems that such a single person meets the requirements provided in Article 15 (1) of the Banking Act at the time of the merger or conversion of the financial institutions, such a single person shall be deemed to lawfully own or actually control the stocks of a banking institution in accordance to Article 15 (2) to (4) of the Banking Act; and such a single person may, when he meets the requirements provided in Article 15 (6) of the Banking Act within three (3) years after the merger or conversion of financial institutions, lawfully own the stocks thereof after reporting to, or obtaining the approval from, the Financial Supervisory Commission by mutatis mutandis Article 15 (2) to (4) of the Banking Act.

CHAPTER III REORGANIZATION OF AILING FINANCIAL INSTITUTIONS

Article 10 (Timely Corrective Measures)

(1) When the Financial Supervisory Commission deems that the financial soundness of a financial institution falls below the specified standards provided in paragraph (2) such as a lower equity ratio than the specified standards, or when it determines that the financial soundness thereof will definitely fall below the standards provided in paragraph (2) due to the occurrence of massive financial incidents or the accrual of non-performing loans, the Financial Supervisory Commission may recommend, request or order the financial institution concerned or the officers of such financial institutions the following matters or to furnish its implementation plan for the improvement of financial soundness:

1. Attention, warnings or reprimands are given to the financial institution or its officers and employees or the salary of its officers and employees is reduced;

2. Capital is increased or reduced, property holdings are disposed or its business network and organization are downsized;

3. The acquisition of assets which are exposed to high risk of insolvency or price fluctuation is prohibited or acceptance of deposits with unusually high rates of interest is restricted;

4. Officers are suspended from the exercise of their duties or administrators who act for the officers are appointed;

5. Stocks are retired or consolidated;

6. All or part of the business is suspended;

7. The financial institution concerned is merged, consolidated or assumed by third parties;

8. The business or contracts are transferred pertaining to financial transactions such as deposits or loans (hereinafter referred to as "contract transfers"); and

9. Other measures similar to those listed in subparagraphs 1 through 8 which are deemed necessary for enhancing the financial soundness of the financial institution.

(2) Where the Financial Supervisory Commission intends to take measures referred to in paragraph (1) (hereinafter referred to as "timely corrective measures"), the Financial Supervisory Commission shall determine and notify the standards and content thereof in advance.

(3) Where it is determined that a financial institution who temporarily falls below the standards referred to in paragraph (2) will be able to meet the standards for a short period of time or for similar reasons, the Financial Supervisory Commission may delay timely corrective measures for a specified period.

(4) In determining the standards referred to in paragraph (2), the Financial Supervisory Commission may take measures likely to cause property damage to any financial institution or its stockholders such as suspension of all business, transfer of all business, transfer of all contracts or orders or retirement of all stocks and any similar measures only where the financial institution is an insolvent one, its financial status falls substantially below the standards referred to in paragraph (2) and it would definitely damage the sound credit order or the rights and interests of depositors.

(5) The Financial Supervisory Commission may delegate the power to take timely corrective measures to the Governor of the FSS (hereinafter referred to as "the Governor of the FSS") as prescribed by the Presidential Decree.

Article 11 (Assistance in the Implementation of Timely Corrective Measures)

(1) Where the Financial Supervisory Commission orders a financial institution to merge, transfer its business or transfer contracts pursuant to Article 10 (1), it may recommend any other financial institution designated by it to merge with or assume their business or accept their contracts.

(2) The KDIC may present in advance any financial institution which has been recommended to merge, assume the business or accept the contracts pursuant to paragraph (1) with an amount and terms of fund support referred to in subparagraph 6 of Article 2 of the Depositors Protection Act on the condition of its fulfillment.

(3) Where it is deemed necessary for any financial institution to fulfill timely corrective measures smoothly, the KDIC may propose mergers or transfers or assumptions of businesses between financial institutions or by third parties.

(4) Where a financial institution which is ordered to reduce its capital, retire all or part of its stocks, or consolidate its stocks under Article 10 (1) or Article 12 (3), implements such order or in case the capital amount of a financial institution after consolidation of stocks for the purpose of capital increase pursuant to Articles 5 (7) or 5-2 falls short of the minimum capital stipulated in the laws related to the establishment of such financial institution, the Financial Supervisory Commission may not revoke the authorization or permission of such financial institution for a period not exceeding one year.

(5) In the event of a conflict with the provisions of Articles 21, 189, 189-4, 191-2 and 200 of the Securities and Exchange Act, Article 19 of the Insurance Business Act, Articles 10, 11, 14, 15, 15-3, 17 and 19 of the Merchant Banking corporation Act, Articles 12, 13, 17, 18-2 and 24-2 of the Savings Banks Act, Article 33 of the Securities Investment Trust Business Act or other related laws and subordinate statutes as a result of any merger, assumption, business transfer and taking over of businesses or contract transfers between financial institutions consequent upon timely corrective measures, the financial institutions concerned shall conform to the provisions of the related laws and subordinate statutes within three years pursuant to the procedures determined by the Financial Supervisory Commission.

(6) The acquisition of stocks or bonds falling under any of the following Sub-paragraphs shall not be deemed the acquisition of stocks or securities referred to in Article 38 of the Banking Act and Article 17 of the Merchant Banking Corporation Act:

1. Stocks which financial institutions prescribed in subparagraph 1 (a) and (h) of Article 2 come to own by converting its existing loans, etc. into equity in such manner as determined by the Financial Supervisory Commission; and

2. Bonds whose payment of principal and interest is guaranteed by the Government.

Article 12 (Investments by Government, etc. into Ailing Financial Institutions)

(1) The Financial Supervisory Commission may, when it deems that an ailing financial institution cannot continue to carry out its business because it suffers a continued withdrawal of deposits, request the Government, etc. to invest into or purchase securities prescribed by the Presidential Decree from such ailing financial institutions.

(2) When the Government, etc. invests in an ailing financial institution on request in accordance with paragraph (1), the board of directors of the ailing financial institution concerned may, notwithstanding Articles 330, 344 (2), 416 through 418 of the Commercial Act, determine matters regarding the new stocks to be issued such as type and conditions of new stocks, numbers to be issued, issue price, allotment method and other procedures related to the issuance.

(3) The Financial Supervisory Commission may order an ailing financial institution in which the Government, etc. has invested or has decided to invest and purchase securities of such ailing financial institution upon a request pursuant to paragraph (1), to reduce its capital by retirement, with or without consideration, of all or part of its stocks owned by specific stockholders (referring to the stockholders at the time the Government etc. invest, make purchase securities or decide to invest or purchase securities pursuant to paragraph (1) or those stockholders whom the Financial Supervisory Commission deems being responsible for the ailing of the financial institution thereof, and same hereinafter), or by consolidating stocks owned by specific stockholders according to a specified ratio. In this case, the Financial Supervisory Commission may order the ailing financial institution to retire or consolidate stocks owned by the Government, etc. on more favourable terms or

methods than the stocks owned by the specific stockholders in consideration of investments and the purchase of securities made by the Government, etc. under the provisions of paragraph (1).

(4) Where an ailing financial institution is ordered to reduce its capital pursuant to paragraph (3), the board of directors of the ailing financial institution may, notwithstanding the provisions of Articles 438 through 441 of the Commercial Code, resolve to reduce capital or determine matters on the methods and procedures for capital reduction and procedures for consolidating stocks.

(5) An ailing financial institution which intends to reduce its capital pursuant to paragraph (4) shall announce to creditors in two or more daily newspapers that they should file an objection for a specified period of not less than ten days, and if any creditors who have filed an objection, it shall tender performance or provide sufficient security to the creditor or entrust a considerable property to a trust company for this purpose: provided that this shall not apply in cases where the actual amount of capital reduction (meaning the purchase price where treasury stocks are purchased with consideration for retirement purposes) falls short of investments made by the Government, etc. pursuant to paragraph (2).

(6) In consolidating stocks pursuant to paragraphs (3) and (4), the ailing financial institution shall determine a period of not less than five days (the last day of the period shall be referred to as "basic date of stock consolidation"), announce the contents and statements to the effect that stock certificates should be presented to the institution during the period, and deliver new stock certificates within one month from the basic date of stock consolidation: provided that where it consolidates stocks whose certificates are entrusted to the KSD pursuant to the Securities and Exchange Act, it may be deemed that the presentation of old stock certificates and delivery of new stock certificates are made by entry in stockholders' list at the basic date of stock consolidation. In this case, the fact shall be announced together at the time of announcement pursuant to the main stipulation of this paragraph.

(7) Where an ailing financial institution makes a resolution by the board of directors pursuant to paragraphs (2) or (4), it shall without delay announce the resolved matters and the fact that stockholders who dissent from the resolved matters may request the institution to purchase stocks they own by a document stating the kinds and number of stocks within ten days from the announcement in two or more daily newspapers.

(8) Where a request referred to in paragraph (7) has been made, an ailing financial institution shall purchase stocks within two months from the date of receipt of the request. In this case, the purchase price of stocks shall be determined by agreement between stockholders and the financial institution, and where an agreement is not reached, the price shall be calculated by accounting specialists, taking into account property value and earning value, etc. of the ailing financial institution before investment or the purchase of securities by the Government, etc. is made.

(9) Where a financial institution or a group of stockholders which holds not less than 30/100 of the stocks to be requested for the purchase objects to the purchase price determined pursuant to the latter sentence of Article 8, it may request the court to determine the purchase price within thirty days from the time of determination.

Article 13 (Special Cases for Issue of Nonvoting Stocks)

Where the Government, etc. makes investments in financial institutions falling under any of the following subparagraphs, the financial institutions may issue nonvoting stocks exceeding the limit referred to in Article 370 (2) of the Commercial Act and Article 191-2 (2) of the Securities and Exchange Act:

1. Ailing financial institutions;

2. Financial institutions which merge with any ailing financial institutions or assume the business of the ailing financial institutions; and

3. Financial institutions which take over contracts pursuant to a decision of contract transfer by the Financial Supervisory Commission referred to in Article 14 (2).

Article 13-2 (Simplification of Process for Stock Consolidation and Capital Reduction)

The provisions of Article 12 (4) through (9) shall apply mutatis mutandis to the case where a financial institution falling under each of the following subparagraphs intends to consolidate their stocks in order to increase or reduce their capital:

1. Financial institutions which are ordered to reduce capital by the Financial Supervisory Commission pursuant to Article 10 (1); and

2. Financial institutions which are ordered to increase their capital by the Financial Supervisory Commission pursuant to Article 10 (1) from among the financial institutions whose market price for their stock is less than face value thereof.

Article 14 (Administrative Disposition)

(1) The Financial Supervisory Commission, where any financial institution falls under any of the following subparagraphs, may, on the recommendation of the Governor of the FSS, order the financial institution concerned to suspend the execution of the business by its officers, appoint managers to perform the business on behalf of such officers or dismiss such officers:

1. Where the financial institution violates any request or order made or given under the provisions of Article 10 (1) or fails to execute such request or order;

2. Where the financial institution fails to execute an order given under the provisions of Article 12 (3).

(2) Where an ailing financial institution falls under any of the following subparagraphs, the Financial Supervisory Commission may take necessary measures such as a decision for the transfer of contracts, suspension of business for a certain period of not less than six months against the ailing financial institution, and cancellation of the authorization or permission of its business: provided, that in the case of an ailing financial institution falling under subparagraph 4, only a disposition may be taken to suspend its business for a fixed period of 6 months and the same shall not apply to an ailing financial institution not falling under subparagraphs 1 and 2:

1. Where an ailing financial institution fails to execute an order given under Article 10 (1) or Article 12 (3) or is unable to execute such order;

2. Where the merger, etc. of ailing financial institutions fails to be made under an order or arrangement given and made under the provisions of Articles 10 (1) and 11 (3);

3. Where an ailing financial institution considers the execution of an order given under the provisions of Article 10 (1) or the merger with another ailing financial institution difficult because its liabilities significantly exceed its assets; and

4. Where an ailing financial institution is considered to clearly infringe on depositors' rights and interests and disrupt credit order after it has been unable to pay claims including deposits and repay borrowings due to its abruptly aggravated financial situation.

(3) Deleted. <by Act No. 5982, May 24, 1999>

(4) Where financial institutions have their authorization or permission on business cancelled pursuant to paragraph (2), they shall be dissolved.

(5) Where the Financial Supervisory Commission makes a decision for contract transfer pursuant to paragraph (2), it shall determine the scope of contract to be transferred, terms for contract transfers and financial institutions to take over the contracts. In this case, it shall obtain the consent of the board of directors of any financial institution taking over any contracts.

(6) Contract transfers according to a decision referred to in paragraph (2) shall not require the resolutions of the board of directors and a general meeting of stockholders of any ailing financial institution to transfer contracts notwithstanding the provisions of related laws and articles of incorporation.

(7) Where the Financial Supervisory Commission makes a decision for contract transfers pursuant to paragraph (2), it shall appoint a manager of the ailing financial institution.

(8) Any insurance company regarding which the Financial Supervisory Commission has made a decision for contract transfers shall be deemed to have been granted authorization on the dissolution or consolidation by the Financial Supervisory Commission referred to in Article 116 of the Insurance Business Act.

(9) The provisions of Article 5 shall apply mutatis mutandis where a financial institution which takes over contracts from the ailing financial institution pursuant to paragraph (2) goes through procedures such as a resolution of general meeting of stockholders, request for stock purchase and objections filed by creditors in connection with contract transfers.

Article 14-2 (Effect of Decision for Contract Transfers)

(1) Where any decision for contract transfers referred to in Article 14(2) has been taken, the ailing financial institution and the financial institution acquiring the transfer of contracts (hereinafter referred to as the "acquiring financial institution") shall succeed to the rights and obligations of ailing financial institutions which are included in the contents of decision under contracts as of the date of such decision. However, in case a creation of mortgage on the claims was made under the contracts which are the object of transferring contracts, the acquiring financial institution shall acquire such mortgage when the public announcement pursuant to the provisions of paragraph (2) was made.

(2) When the decision of contract transfer referred to in Article 14(2) is made, both of the concerning undertaking financial institution and the ailing financial institution shall announce promptly the main points of the decision and the contract in more than 2 daily newspapers.

(3) When the public announcement referred to in paragraph (2) is made, the legal relations among the creditors, debtors, sureties on properties or other interested persons (hereinafter referred to as "interested persons") and the ailing financial institution concerned relating to the transfer of contracts concerned shall succeed, on the same contents, by the acquiring financial institutions; provided, that the interested persons have standing against the undertaking financial institutions for the reasons which arose between the ailing financial institution concerned and them before the public announcement pursuant to paragraph (2).

(4) When the public announcement referred to in paragraph (2) is made, the requisite for setting up against assignment of a nominative claim under the provisions of Article 450 of the Civil Act is deemed to have been met; provided that interested persons have standing against the acquiring financial institutions for the reasons which arose between the ailing financial institution concerned and them before the public announcement.

(5) When a decision for the transfer of contracts pursuant to Article 14 (2) is made, the Financial Supervisory Commission shall make the ailing financial institutions and the acquiring financial institutions concerned maintain and administer the materials relating to the transfer of contracts and offer them for the interested persons' inspection. In this case, the Financial Supervisory Commission shall determine the criteria and procedures necessary for the maintenance, administration, and inspection thereof.

Article 14-3 (Appointment and Duties of Managers)

(1) Managers appointed pursuant to Articles 10 (1) 4, 14 (1) or 14 (7) (hereinafter in this Article, referred to as "managers") shall have the right to manage and dispose of the assets and liabilities of the ailing financial institution concerned within the extent of the business relating to the duties of the officers involved in the decision for the transfer of contracts.

(2) The Financial Supervisory Commission may issue to the managers an order necessary for the discharge of their duties.

(3) The Financial Supervisory Commission may dismiss managers as deemed necessary.

(4) Where the Financial Supervisory Commission appoints a manager, it shall notify without delay the district court which has jurisdiction over the location of the head office or main office of the financial institution and entrust the registry office having jurisdiction over the location of the head office, branch office or each office of the financial institution concerned to make a registration of the fact.

(5) The provisions of Article 11 (1) of the Commercial Act and Articles 153 through 156 of the Bankruptcy Act shall apply mutatis mutandis to the managers. In this case, the term "court" in the Bankruptcy Act shall be deemed to mean the "Financial Supervisory Commission".

Article 14-4 (Hearings)

Where the Financial Supervisory Commission intends to revoke the authorization or permission of the business of an ailing financial institution in accordance with Article 14 (2), it shall hold a hearing on the revocation.

Article 14-5 (Prior Consultations)

The Financial Supervisory Commission shall, when it intends to issue the orders or to take the measures mentioned in Article 10 (4) or to decide the transfer of contracts pursuant to Article 14 (2), consult with the Minister of Finance and Economy in advance.

Article 14-6 (Special Case for Appointment of Managers)

(1) The Financial Supervisory Commission shall, where it intends to appoint managers after deciding to suspend the whole business of any insured financial institution established pursuant to the provisions of subparagraph 1 of Article 2 of the Depositors Protection Act in accordance with the provisions of Articles 10 (1) 6 and 14 (2) or the transfer of contracts (excluding any insured financial institution that has been given an order to suspend its whole business due to temporary financial difficulty but is recognized as certain to normalize its management) appoint officers or employees of the KDIC as managers of such insured financial institution; provided, that the Financial Supervisory Commission may, where the payments of claims are nonexistent or are recognized as nonexistent following the injection of financial assistance from the Government, etc. and deposits made by the KDIC, appoint persons other than such officers or employees of the KDIC as such managers.

(2) In case of the main sentence of paragraph (1), the Financial Supervisory Commission may, where it is deemed necessary to normalize the management of a financial institution concerned and protect general creditors, appoint persons other than the officers or employees of the KDIC as managers to participate in the management of such financial institution.

(3) The provisions of Article 14-3 (3) shall not apply to officers or employees of the KDIC who are appointed as managers pursuant to the provisions of the main sentence of paragraph (1) and paragraph (2), and their term shall be up to the terminal date of the business suspension period or up to the terminal date of settlement pursuant to the decision for the contract transfer. Provided that where the financial institution concerned is dissolved or gone into bankruptcy during the suspension period of business, their term shall be up to the date of the resolution of dissolution or the adjudication of bankruptcy.

Article 14-7 (Request for Data)

(1) The Financial Supervisory Commission, where it deems necessary to determine the responsibility for the insolvency of a financial institution and hold such financial institution accountable, may ask the heads of the central administrative agencies concerned, local governments and other public institutions prescribed by the Presidential Decree (hereinafter in this article referred to as "public institutions") to

supply data or information with respect to assets of persons believed to be responsible for such insolvency.

(2) The heads of public institutions, upon receiving a request referred to in paragraph (1), shall comply with such request unless special reasons exist for not complying with such request.

Article 14-8 (Special Case for Financial Institutions)

Any financial institution established for taking over the business or contracts of ailing financial institution in accordance with the provisions of Article 36-3 of the Depositors Protection Act (hereinafter referred to as "resolution financial institution") shall, where it receives a transfer contract under the provisions of Article 14 (2), be deemed to be a financial institution under the provisions of subparagraph 1 of Article 2.

CHAPTER IV LIQUIDATION AND BANKRUPTCY OF FINANCIAL INSTITUTIONS

Article 15 (Liquidator or Receiver)

(1) The Financial Supervisory Commission, where a financial institution is dissolved or goes bankrupt, may, notwithstanding the provisions of Article 531 of the Commercial Act and Article 147 of the Bankruptcy Act, recommend a liquidator or a receiver from among persons falling under each of the following sub-paragraphs and the court shall, when a person recommended by the Financial Supervisory Commission is recognized as having profound banking business knowledge and fit for performing his business as a liquidator or a receiver, appoint him as a liquidator or a receiver. In this case, the Financial Supervisory Commission shall, when the Deposit Insurance Corporation or a resolution financial institution is the biggest creditor prescribed by the Presidential Decree of such a dissolved or bankrupt financial institution which is an insured financial institution under the provisions of Article 2(1) of the Depositor Protection Act, recommend a person falling under subparagraph 2.:

1. A financial expert prescribed by the Presidential Decree; and

2. An officer or an employee of the KDIC.

(2) The Financial Supervisory Commission may entrust recommendations for liquidators or receivers referred to in paragraph (1) to the FSS.

Article 16 (Application for Bankruptcy)

(1) Where the Financial Supervisory Commission becomes acquainted with the fact constituting the causes for bankruptcy as referred to in Article 117 of the Bankruptcy Act, it may make an application for bankruptcy.

(2) The Governor of the FSS or any agency intervening in bankruptcy may recommend an application for bankruptcy of the relevant financial institution to the Financial Supervisory Commission.

Article 17 (Service of Adjudication of Bankruptcy)

Where the court adjudicates any financial institution bankrupt, it shall serve the agency intervening in bankruptcy with a written instrument specifying the matters as provided for in Article 133 (1) of the Bankruptcy Act.

Article 18 (Consultation about Period for Reporting Obligations)

The court shall, in determining the period for reporting claims and the fixed date of examining claims pursuant to Article 132 of the Bankruptcy Act, hear the opinion of the agency intervening in bankruptcy in advance.

Article 19 (Opinion Statement)

The agency intervening in bankruptcy may present or state its opinion to the court in the course of bankruptcy proceedings for any financial institution.

Article 20 (Drawing up and Inspection of List of Depositors)

(1) Where the agency intervening in bankruptcy is served with the instrument as referred to in Article 17, it shall without delay draw up a list of depositors specifying the matters provided for in Article 202 (1) of the Bankruptcy Act for the deposit claims with which it is acquainted.

(2) Where the agency intervening in bankruptcy draws up a list of depositors as referred to in paragraph (1), it shall without delay make a public notice of the purport and place of inspection, and ensure that the depositors will inspect it until the last day of the period for reporting claims as determined by the court (hereinafter referred to as the "period for reporting claims"). In this case, the period of not less than 2 weeks shall be granted between the starting date of inspection and the last date of the period for reporting claims.

(3) Where the agency intervening in bankruptcy knows that there are deposit claims not entered in the relevant list of depositors or there are facts benefiting the depositors after the commencement of inspection of the list of depositors, it shall enter them without delay in the list of depositors.

Article 21 (Presentation of List of Depositors)

(1) The agency intervening in bankruptcy shall present the list of depositors to the court without delay after the expiration of the period for reporting claims.

(2) The deposit claims entered in the list of depositors presented to the court pursuant to paragraph (1) shall be deemed to have been reported within the period for reporting claims.

(3) Where the agency intervening in bankruptcy knows that there are deposit claims not entered in the list of depositors after the presentation of the list of depositors to the court, it shall report such fact to the court without delay. In this case, the deposit claims notified to the court shall be deemed to have been reported after the expiration of the period for reporting claims.

Article 22 (Intervention by Depositors)

Where the depositors of deposit claims deemed to have been reported pursuant to Article 21 (2) and (3) desire to intervene directly in bankruptcy proceedings, they shall report their intention to the court. In this case, the court shall notify the fact to the agency intervening in bankruptcy.

Article 23 (Rights of Agency Intervening in Bankruptcy)

The agency intervening in bankruptcy may perform all acts on bankruptcy

proceedings for the depositors of deposit claims deemed to have been reported pursuant to Article 21 (2) and (3): provided that this shall not apply in cases where the relevant depositors intervene directly in bankruptcy proceedings pursuant to Article 22, and the authorization by the depositors is required in cases where the agency intervening in bankruptcy takes legal proceedings on the confirmation of deposit claims.

CHAPTER V RESTRICTION ON COMBINATION OF ENTERPRISES THROUGH FINANCIAL INSTITUTION

Article 24 (Stockholding Limit on Other Companies)

(1) Where a financial institution and financial institutions belonging to the conglomerate to which the former financial institution belongs (hereinafter referred to as the "same affiliated financial institutions") desire to undertake any of the actions set out in the following subparagraphs, they shall be subject in advance to the approval of the Financial Supervisory Commission according to the standards as determined by the Presidential Decree: provided that this shall not apply where they obtain authorizations and approvals etc. under the laws pursuant to which the relevant financial institutions were established:

1. Cases where the same affiliated financial institutions own not less than 20/100 of the total number of issued voting stocks of another company; or

2. Cases where the same affiliated financial institutions own not less than 5/100 of the total number of issued voting stocks of another company, and such same affiliated financial institution or conglomerate to which the same affiliated financial institutions belong are deemed as de facto controlling the relevant company and where determined by the Presidential Decree.

(2) The term "conglomerate" means conglomerate as referred to in subparagraph 2 of Article 2 of the Monopoly Regulation and Fair Trade Act.

(3) In granting the approval referred to in paragraph (1), the Financial Supervisory Commission shall consult in advance with the Fair Trade Commission whether the relevant stockholdings restrict competition in the related market. This shall also apply in case where it grants authorization and approval, etc. pursuant to the proviso of paragraph (1).

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 24-2 (Relations with Other Acts)

Except as otherwise provided in this Act, with respect to a merger and conversion of financial institutions, measures against ailing financial institutions and the liquidation and bankruptcy of financial institutions shall be governed by the provisions of laws forming the basis for authorization or permission of the business of financial institutions concerned, the Commercial Act, the Non-Ligitation Case Procedure Act or other related statures and subordinate statutes.

Article 25 (Delegation of Powers)

(1) The Minister of Finance and Economy may delegate part of the powers under this Act to the Financial Supervisory Commission, the Governor of the FSS or the KDIC as prescribed by the Presidential Decree.

(2) The Financial Supervisory Commission may delegate part of the powers under this Act to the Governor of the FSS or the KDIC as prescribed by the Presidential Decree.

Article 26 (Application Mutatis Mutandis of Provisions on Merger)

The provisions on the merger in Articles 3 through 8 and 9 (1) shall apply mutatis mutandis in the case where a financial institution transfers all of its business to other financial institutions and ceases to exist and assumes all businesses from other financial institutions.

CHAPTER VII PENAL PROVISIONS

Article 27 (Penal Provisions)

Officers of financial institutions, managers or liquidators (hereinafter referred to as "officers, etc. of financial institutions") shall, when they perform the acts falling under any of the following subparagraphs, be punished by imprisonment with prison labor for a period not exceeding one year or by a fine not exceeding 10 million won:

1. Fail to take procedures and measures for executing an order given under the

provisions of Article 10 (1);

2. Vviolate an order given under the provision of Article 12 (3);

3. Fail to execute necessary procedures for dissolution in contravention of the provisions of Article 14 (4); and

4. Violate the provisions of Article 24 (1).

Article 28 (Fine for Negligence)

(1) Any financial institution, when it violates an order given by this Act or under this Act, shall be punished by a fine for negligence not exceeding 20 million won.

(2) The officers, etc. of financial institutions shall, when they perform acts falling under any of the following subparagraphs, be punished by a fine for negligence not exceeding 10 million won:

1. Fail to make a report under the provisions of Article 7 (1) or make a false report;

2. Violate Article 12 (5) through (8); and

3. Violate Article 14-2 (2) or (5).

(3) The fine for negligence under the provisions of paragraph (1) and paragraph (2) shall be imposed and collected by the Financial Supervisory Commission as prescribed by the Presidential Decree.

(4) Any person who is dissatisfied with a disposition taken to impose a fine for negligence under the provisions of paragraph (3) may raise an objection to the Financial Supervisory Commission within 30 days from the date on which he is notified of such disposition.

(5) The Financial Supervisory Commission shall, when a person subjected to a disposition taken to impose a fine for negligence under the provisions of paragraph (3) raises an objection pursuant to the provisions of paragraph (4), promptly notify the competent court of the fact and the competent court, upon receiving such notice, shall put the case on trial in accordance with the Non-Litigation Case Procedure Act.

(6) When a person fails to raise an objection within a prescribed period under the provisions of paragraph (4) and to pay a fine for negligence, the Financial Supervisory Commission shall collect such fine for negligence as when collecting national taxes in arrears.

ADDENDA <Act No. 6429, Mar. 28, 2001>

Article 1 (Enforcement Date)

This Act shall enter into force on the date as prescribed by the Presidential Decree within two years after its promulgation. (Proviso Omitted.)

∫ Enforcement date of this Act shall be March 1, 2002 pursuant to the Presidential Decree No. 17519. February 25, 2002 §

Articles 2 through 11 Omitted.

PUBLIC FUND OVERSIGHT SPECIAL ACT

Enacted by Act No. 6281, Dec. 20, 2000

CHAPTER I. GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to ensure efficient management of public fund and to minimize taxpayers' burden by enhancing objectivity, fairness and transparency in the procurement, operation and management of public fund.

Article 2 (Definitions)

For the purpose of this Act, the definitions of terms shall be as follows.

(1) The term "public fund" means the fund used to support restructuring of financial institutions that fall under any fund or property of the following Subparagraphs:
   (a) DIF Fund, under the Depositor Protection Act.
   (b) Bad Loan Resolution Fund, under the Act on Efficient Disposal of Non-Performing Asset of Financial Institutions and Establishment of Korea Asset Management Corporation.
   (c) Public Fund Oversight Fund, under the Public Fund Oversight Fund Act.
   (d) Public property, under the National Property In-Kind Investment Act.
   (e) Capital investment by Bank of Korea to financial institutions under the Bank of Korea Act.
   (f) Public borrowings, under the Public Borrowings and Management Act.

(2) The term "financial institution" means each of the following Subparagraphs:
   (a) Financial institutions, under the Financial Industry Restructuring Act.
   (b) Insured financial institutions, under the Depositor Protection Act.
   (c) Financial institutions, under the Act on Efficient Disposal of Non-Performing Asset of Financial Institutions and Establishment of Korea Asset Management Corporation.

CHAPTER II. ESTABLISHMENT OF PUBLIC FUND OVERSIGHT COMMITTEE

Article 3 (Establishment and Function of Public Fund Oversight Committee)

(1) The Public Fund Oversight Committee (hereinafter referred to as "the Committee") shall be established under the supervision of Ministry of Finance and Economy (hereinafter referred to as "MOFE") for the purpose of undertaking comprehensive review and regulation of public fund operation.

(2) The Committee shall review and adjust the items under the following Subparagraphs:

1. Matters regarding supervision and planning of public fund management such as use, or reuse after recovery of public fund;
2. Matters regarding selection criteria for beneficiary financial institutions;
3. Matters regarding public fund provision principle such as self-rehabilitation efforts and loss sharing of financial institutions;
4. Regular monitoring of public fund injection status;
5. Ex post facto management principle and mechanism on financial institutions;
6. Regular monitoring on ex post facto management status of financial institutions;
7. Regarding recovery of public fund, such as disposition of stocks held by the followings:
   (a) Government;
   (b) Korea Deposit Insurance Corporation under the Depositor Protection Act (hereinafter referred to as "KDIC");
   (c) Korea Asset Management Corporation under the Efficient Resolution of Financial Institution Bad Asset and Korea Asset Management Corporation Establishment Act (hereinafter referred to as "KAMCO");
8. Regarding enactment or revision of laws and regulations related to public fund; and
9. Other matters defined by the Presidential Decree, regarding expenditure and ex post facto management of public fund and enhancement of efficiency.

Article 4 (Composition of the Committee)

(1) The Committee shall be consisted of the following members:

1. The Minister of the MOFE;
2. The Minister of the Ministry of Planning and Budget (hereinafter referred to as "MPB");
3. The chairman of the Financial Supervisory Commission (hereinafter referred to as "FSC");
4. Two experts, with substantial economic knowledge and experience, commissioned by the President;
5. Two experts, with substantial economic knowledge and experience, recommended by the Chairman of National Assembly and commissioned by the President; and
6. One legal expert, with substantial legal knowledge and experience, recommended by the Chief Justice of the Supreme Court and commissioned by

the President.

(2) The presidents of KDIC and KAMCO shall attend the meetings of the Committee and may speak before the Committee in respect of their relevant responsibilities.

Article 5 (Chairman)

(1) The chairmanship of the Committee shall be jointly held by the following persons:
   1. Minister of the MOFE; and
   2. One member, mutually elected by the members defined in Article 4 (1) 4 through 6;

(2) Each respective co-chairman shall represent the Committee and also supervise its business including convocation of meetings.

(3) In the case that both co-chairmen can not perform their duties due to inevitable reasons, the member designated in advance by the Committee shall assume the acting chairman position.

Article 6 (Tenure of Committee Membership)

(1) The membership tenure of the Committee members defined in Article 4 (1) 4 through 6 (hereinafter referred to as "private sector members") shall be 2 years, and may be re-appointed only one time.

(2) In the case a vacancy in the private sector member position occurs, a new member shall be appointed, and his tenure shall start from the appointment date.

Article 7 (Disqualification of Committee Members)

The persons under the following Paragraphs can not become private sector members.

1. A person who is not a national of the Republic of Korea.
2. A person disqualified for government official posts under Article 33 of the National Public Service Act.
3. A person who had been fined under this Act and other financial related Acts (including foreign financial related Acts) within the past five years.
4. A person who had been dismissed or discharged under this Act and other financial related Acts (including foreign financial related Acts) within the past five years.

Article 8 (Status Guarantee of Committee Members)

(1) The members of the Committee shall not be dismissed or discharged against his/her own will, except in the following two cases.
   1. When the member falls under Article 7 (1).
   2. When the member can not perform his/her duties due to physical and/or mental problem.

(2) When the member is dismissed due to any of the reasons under Paragraph (1), the actions taken by the member prior to such dismissal shall not be nullified.

Article 9 (Quorum)

The meetings of the Committee shall render decisions with approval of more than majority of the attending members.

Article 10 (Establishment of Secretariat Office)

(1) In order to provide assistance to the Committee, a Secretariat Office shall be set up at the MOFE.

(2) Matters regarding the organization and operation of the Secretariat Office shall be defined by the Presidential Decree.

Article 11 (Data Request)

The Committee shall take the following measures, when deemed necessary, in order to perform its duties under Article 3.

1. Request the FSC, KDIC, KAMCO and other related organizations to report to the Committee or forward data and documents.
2. Request stakeholders, relevant persons or related government officials to appear before the Committee and present opinions.
3. On-site examination of related organizations.

Article 12 (Operation)

Other necessary matters regarding operation of the Committee shall be set forth by the Presidential Decree.

CHAPTER III. MANAGEMENT OF PUBLIC FUNDS

Article 13 (Least Cost Principle)

(1) The government, KDIC and KAMCO shall adopt a method that minimizes the injection cost of public fund and maximizes its efficiency.

(2) When the FSC requests the government or KDIC (hereinafter referred to as "the government") for capital injection into an insolvent financial institution or purchase of marketable securities under Article 12 of the Financial Industry Restructuring Act, it shall submit the data to prove compliance with the least cost principle as stated in Paragraph (1), and asset/liabilities due diligence data to the government as prescribed in the Presidential Decree.

(3) The government, KDIC and KAMCO shall file and keep data to prove that public

fund was injected based on the least cost principle prescribed in Paragraph (1).

(4) Details such as principle and procedure of least cost method under Paragraphs (1) through (3) shall be prescribed by the Presidential Decree.

Article 14 (Equitable Loss Sharing Principle)

(1) The government shall provide public fund, based on the assumption that parties responsible for the failure of the relevant financial institutions shall share the loss in equal and fair manner.

(2) The government shall provide public fund under two or more installments. However, exceptions may be made, when required by the Presidential Decree, for certain payments such as deposit payoffs.

(3) The government shall provide public fund based on the assumption of self-effort restructuring endeavors of the beneficiary financial institution.

(4) If applicable, the government shall hold the parties responsible for management and supervision of the failed financial institution, accountable and immediately undertake appropriate actions such as damage claim lawsuits in accordance with the related laws and regulations.

(5) Details regarding the criteria and procedure under Paragraph (1) through (4) shall be prescribed by the Presidential Decree.

Article 15 (Reporting to the National Assembly)

(1) The Minister of the MOFE, who is also the chairman of the Committee, shall produce report on the use, reuse after recovery and other operational information in respect of the public fund, and submit it to the National Assembly more than once in every quarter.

(2) The chairman shall appear before the National Assembly, when requested in relation to the report under Paragraph (1), and provide responses to its questions.

Article 16 (Auditing by the Board of Audit and Inspection)

The Board of Audit and Inspection shall conduct audits regarding public fund, under the provisions of the Board of Audit and Inspection Act, and submit the audit report to the National Assembly.

Article 17 (Management Normalization MOU)

(1) When the government would like to inject public fund, it shall enter into a MOU with the public fund recipient institution in respect of its business normalization, as prescribed in the Presidential Decree.

(2) The MOU shall include the items under the following Subparagraphs:

1. Financial soundness target, as set forth in the Presidential Decree, such as net equity ratio;
2. Profitability target, as set forth in the Presidential Decree, such as ROA;
3. Asset quality target, as set forth in the Presidential Decree, such as bad loan ratio;
4. Detailed implementation plan including human resource, organization and wage restructuring and financing plan, in order to achieve the targets set forth in Subparagraphs 1 through 3;
5. Consent from the labor union on matters requiring such consent, which are set forth in the implementation plan in Subparagraph 4;
6. Additional implementation plan such as total labor cost freeze, which shall be undertaken by the relevant financial institution when the targets prescribed in Subparagraphs 1 through 3 are not achieved; and
7. Other matters prescribed by the Presidential Decree.

(3) The government shall disclose the MOU in Paragraph (1) in electronic and other formats. However, exceptions may be made when required by the Presidential Decree, due to major impact on the management of the relevant financial institution.

(4) The government shall review the implementation status under the MOU on a quarterly basis and report the review results to the Committee.

(5) The government may request the pubic fund recipient financial institution to report on the status of its property/asset, submit data, and relevant person to appear before it to provide testimony on related issues, in order to monitor the MOU implementation status.

(6) The government may request the chief executive of the public fund recipient financial institution to take corrective action against the officers/employees such as their dismissal or suspension from post, or disciplinary action when such officers/employees fall under any of the following Subparagraphs:
1. Non-compliance to this Act, or regulations, orders, and instructions in respect of this Act;
2. When the MOU, prescribed in Paragraph (1) is not implemented;
3. When report or data submitted per request by the KDIC pursuant to this Act or the MOU is found to be falsely made or the submittal is made negligently;
4. When the officer/employee refuse, interfere or avoid activities conducted by the KDIC pursuant to this Act or the MOU; or
5. When the officer/employee has negligently implemented the corrective action or disciplinary action mandated by the KDIC.

Article 18 (Entering into MOU with Insolvent Corporation)

(1) When a financial institution that received public fund, pursuant to Article 17 (1), intends to provide fresh capital to an insolvent corporation (designated as such by the Presidential Decree), it shall obtain written consent from the parties related to the restructuring of such corporation and enter into an MOU with the corporation, which incorporates other conditions required by the Presidential Decree.

(2) The details regarding the MOU under Paragraph (1) shall be prescribed by the Presidential Decree.

(3) After signing MOU pursuant to Paragraph (1), the relevant financial institution shall not extend additional loans to the insolvent corporation, when the MOU is not, or is not likely to be implemented.

Article 19 (Disposition of Assets)

(1) The government, KDIC, and KAMCO shall endeavor to minimize the taxpayers' burden by disposing of assets, such as shares of the financial institutions at appropriate price.

(2) In order to review the appropriateness of asset disposal by the government, KDIC, and KAMCO, the Disposal Review Subcommittee (hereinafter referred to as "Subcommittee") shall be established.

(3) The Subcommittee shall report the results of the review, pursuant to Paragraph (2), to the Committee.

(4) The Subcommittee may solicit private sector expert's opinion regarding disposal of assets such as stocks.

(5) Other necessary matters such as composition and operation of the Subcommittee shall be prescribed by the Presidential Decree.

Article 20 (Special Provision for Bankruptcy Procedure)

(1) When a financial institution that received public funds (including insured financial institutions whose contract transfer is confirmed pursuant to the Financial Industry Restructuring Act) such as deposit payoff funds pursuant to the Depositor Protection Act, is dissolved or bankrupt, and efficient recovery of the injected public funds is necessary, the court shall appoint the KDIC or its officer/employee as the liquidator or bankruptcy trustee, notwithstanding Article 531 of the Commercial Code, Article 147 of the Bankruptcy Act and the relevant regulations under the Liquidator or Bankruptcy Trustee Appointment Act.

(2) When the KDIC is appointed as the bankruptcy trustee or liquidator pursuant to Paragraph (1), the provisions of Article 539 (2) of the Commercial Code, Article 157, Article 187, Article 188 of the Bankruptcy Act shall not be applied.

Article 21 (Publication of White Paper)
The Committee shall publish a white paper on the status of public fund management by the end of August every year, as prescribed by the Presidential Decree.

CHAPTER IV. SUPPLEMENTARY PROVISION

Article 22 (Collection of Public Opinion)
(1) The Committee may convene a public hearing or seminar, when deemed necessary, regarding public fund.
(2) The expenses for such public opinion gathering as prescribed in Paragraph (1) may be disbursed within the extent of the Committee's budget.

Article 23 (Payment of Expenses)
The private sector members may be reimbursed for their expenses such as allowance, travel expense and other expenses within the extent of the Committee's budget.

Article 24 (Private Sector Member Deemed as Government Official in Respect of Punitive Provisions)
Private sector member shall be deemed as a government official, when a punishment is to be imposed, under the Criminal Code and other laws.

ADDENDA

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

Article 2 (Application Period of Special Provisions on Bankruptcy Procedure)
The special provision to bankruptcy procedure in Article 20 shall remain valid for 5 years from the effective date of this Act. However, regarding bankruptcy trustee or liquidator appointed by court under Article 20, the provision shall remain effective until the expiry of the bankruptcy or liquidation proceedings of the relevant bankruptcy or liquidation foundation.

Article 3 (Interim Measures for Special Provision to Bankruptcy Procedure)
When it is necessary to achieve efficient public fund recovery, the court shall additionally appoint the KDIC or its officer/employee as liquidator or bankruptcy trustee within 3 months from the effective date of this Act for the insured financial

institution whose liquidation or bankruptcy proceedings has already been in progress as on the effective date of this Act.

ENFORCEMENT DECREE OF THE PUBLIC FUND OVERSIGHT SPECIAL ACT

Enacted by Presidential Decree Number 17127, Feb. 14, 2001

Article 1 (Purpose)

The purpose of this decree is to prescribe the authorities assigned by the Public Fund Oversight Special Act and necessary enforcement regulations.

Article 2 (Responsibilities of the Committee)

The "matters determined by the Presidential Decree" under Article 2, Paragraph (3), Subparagraph 9 refers to the matters with respect to the publication of Public Fund White Paper described under Article 21 of the Act.

Article 3 (Convocation of the Committee)

Pursuant to Article 5, Paragraph (2) of the Act, when the chairman of the Public Fund Oversight Committee (hereinafter referred to as "the Committee") wants to convene a meeting of the Committee, he shall determine and inform the Committee members of the time, place, and the agenda of the meeting in writing at least seven days before the meeting, except for emergency convocations.

Article 4 (Requesting Reports from Related Government Agencies, etc.)

(1) Pursuant to Article 11, Paragraph (1), when the Committee requests related government agencies to submit reports or documents, it shall provide the desired information and submission deadline or timeframe in writing.

(2) Pursuant to Article 11, Paragraph (2), when the Committee mandates appearance of or submission of opinion by stakeholders, witnesses, or relevant civil servants, it shall inform the person(s) of the desired action in writing at least seven days before the meeting.

(3) The stakeholders, witnesses, or relevant civil servants who received a request for action pursuant to Paragraph (2) may appear before the Committee and provide opinions or submit written opinion to the Committee at least one day before the meeting.

(4) When the Committee performs an actual investigation in respect of a related government agency pursuant to Article 11, Paragraph (3) of the Act, the Committee shall inform the agency in writing the purpose and location of the investigation and identification information pertaining to the investigator except for emergency situations or for a case where disclosure of such information could

impede the purpose of the investigation.

(5) The person who conducts an actual investigation of a related government agency pursuant to Article 4 shall carry a proof of investigation authority and show it to relevant persons.

Article 5 (Operation Regulation)

Any regulation deemed necessary for the operation of the Committee other than those prescribed by this Decree shall be deliberated by the Committee and determined by the chairman.

Article 6 (Lease Cost Principle)

(1) When the government or the Korea Deposit Insurance Corporation created pursuant to the Depositor Protection Act (hereinafter referred to as "Korea Deposit Insurance Corporation") provides public fund assistance in accordance with Article 13, Paragraph (1) of the Act, it shall do so in consideration of each of the following Subparagraphs to minimize the injection cost public funds.

1. In respect of a financial institution receiving public fund assistance, if the Committee deems that bankruptcy or liquidation of the financial institution has a real potential to threaten the stability of the financial system considering the customer pool and market share of the institutions – the loss to the national economy that may be caused by such problem.
2. Whether or not the relevant public fund provision method would yield the least cost "X" when X= required public fund amount – expected recovery amount.

(2) The report submitted by the Financial Supervisory Committee, the Government, or the KDIC (hereinafter referred to as "the government") in accordance with Article 13, Paragraph (2) of the Act, shall include the items prescribed under each of the following Subparagraphs:

1. Document (information) proving the participation in the equity ownership of the insolvent financial institution or purchase of securities is appropriately in line with the least cost principle prescribed under Paragraph (1).
2. Most recent due diligence report of the insolvent financial institution.

Article 7 (Exceptions to Parcel Assistance Provision)

The phrase "when required by the Presidential Decree" under Article 14, Paragraph (2) of the Act refers to circumstances prescribed under each of the following Subparagraphs:

1. When insurance money or advance insurance money payment is made pursuant to Article 31, Paragraph (1) or Paragraph (2) of the Depositor Protection Act, or

pursuant to Article 35-2 of the same Act;

2. When providing pubic fund support to a resolution financial institution established pursuant to Article 36-3 of the Depositor Protection Act;
3. When providing financial support pursuant to Article 38, Paragraph (1), Subparagraph 1 of the Depositor Protection Act except for the case that the support recipient is an insolvent financial institution or is at risk of insolvency according to the Depositor Protection Act (hereinafter referred to as "insolvent financial institution");
4. When providing public fund assistance by way of purchasing the recipient financial institution equity;
5. When providing public fund assistance to the Korea Development Bank – established pursuant to the Korea Development Bank Act, the Export-Import Bank of Korea – established pursuant to the Export-Import Bank of Korea Act, or the Industrial Bank of Korea – established pursuant to the Industrial Bank of Korea Act by way of purchasing their equity, in accordance with the Public Property In-Kind Investment Act;
6. When providing public fund assistance to make up for net asset deficit (Refers to the difference when the total liabilities exceed the total assets) of a financial institution;
7. When providing pubic fund assistance, pursuant to Article 10, Paragraph (1) or Article 12, Paragraph (3) of the Financial Industry Restructuring Act, to prevent the recipient's capital adequacy ratio from falling below the minimum required level set out by Article 329, Paragraph (1) of the Commercial Act in the event of capital reduction, retirement of a portion or all shares, or consolidation of shares; and
8. When providing pubic fund assistance via the Committee's resolution in the case that public fund assistance provision is deemed inevitable to maintain stability of the financial system.

Article 8 (Operation Normalization Memorandum of Understanding)

(1) When the government wants to provide public fund assistance to a financial institution pursuant to Article 17, Paragraph (1) of the Act, a memorandum of understanding aiming to normalize the operation of the recipient institution must be entered into prior to the actual provision of public fund assistance except for the cases that fall under Article 7 of the Act (precluding Subparagraph 6) with an announcement of such exception by the Minister of the Ministry of Finance and Economy.

(2) The phrase "financial soundness target, as set forth in the Presidential Decree" of Article 17, Paragraph (2), Subparagraph 1 of the Act refers to the financial

soundness standard set forth within the law which facilitate the establishment of the relevant financial institutions, which is determined by the Financial Supervisory Commission.

(3) The phrase "profitability target, as set forth in the Presidential Decree" of Article 17, Paragraph (2), Subparagraph 2 of the Act refers to each of the following Subparagraphs:

1. The ratio of profits versus the assets or the capital of the financial institution;
2. The ratio of profits versus the expenses of the financial institution; and
3. The per capita productivity of each employee/officer of the financial institution.

(4) The phrase "Asset quality target, as set forth in the Presidential Decree" of Article 17, Paragraph (2), Subparagraph 3 of the Act refers to the ratio of nonperforming loans versus total loans of the financial institution.

Article 9 (Non-disclosure of MOU Terms)

The phrase "exceptions may be made when required by the Presidential Decree" of Article 17, Paragraph (3) of the Act refers to each of the following Subparagraphs:

1. Issues relating to issuance of stocks, debentures, or securities;
2. Issues relating to sale of assets such as real estate, debentures, etc.; and
3. Issues relating to the method of operation normalization.

Article 10 (Scope of Applicable MOU Counterparty-Corporations)

(1) The term "insolvent corporation (designated as such by the Presidential Decree)" of Article 18, Paragraph (1) of the Act refers to a corporation whose total liabilities with respect to financial institutions exceed 50 billion won and whose liabilities with respect to public fund assistance recipient financial institution (precluding the financial institutions of which the KDIC owns less than 50/100 of the total outstanding voting shares) exceeds 10 billion won and falls under each of the following Subparagraphs:

1. A corporation that has revival potential and is trying to come up with a corporate improvement plan through negotiations and adjustments with the creditor financial institution despite financial difficulties;
2. A corporation approved for workout procedures pursuant to the Composition Act; and
3. A corporation approved for corporate reorganization pursuant to the Corporation Reorganization Act.

(2) The phrase "other conditions required by the Presidential Decree" of Article 18, Paragraph (1) of the Act refers to issues related to the restructuring plan of the relevant insolvent corporation.

(3) The financial institution that enters into a written memorandum of understanding with a corporation pursuant to Article 18, Paragraph (1) of the Act may enter into a written memorandum of understanding conjointly with a financial institution that newly provides financial support to the same corporation.

Article 11 (Organization of Disposal Review Subcommittee)

(1) The Disposal Review Subcommittee (hereinafter referred to as "Subcommittee") established pursuant to Article 19, Paragraph (2) of the Act shall be made up of the persons falling under each of the following Subparagraphs:
   1. A person mutually elected among the committee members prescribed under Article 4, Paragraph (1), Subparagraph 4 through Subparagraph 6 of the Act;
   2. The head of the Secretariat Office established pursuant to Article 10, Paragraph (1) of the Act;
   3. A person who is knowledgeable and experienced in sale of assets – commissioned by the chairman of the Committee.

(2) The chairman of the Subcommittee shall be a person prescribed under Paragraph (1), Subparagraph 1.

(3) Matters necessary for the operation of the Subcommittee that are not prescribed under this Decree shall be determined by the chairman of the Subcommittee following deliberation and voting by the Subcommittee.

Article 12 (Publication of White Paper)

The white paper published by the Committee pursuant to Article 21 of the Act shall include details of public fund assistance provisions and recoveries.

Addendum

This Decree shall enter into force on the date of its promulgation.

DEPOSITOR PROTECTION ACT

Enacted by Act No. 5042, Dec. 29, 1995
Amended by:
Act No. 5257, Jan. 13, 1997
(Financial Industry Restructuring Act)
Act No. 5403, Aug. 30, 1997
(Housing and Commercial Bank Act Abolition Act)
Act No. 5421, Dec. 13, 1997
Act No. 5492, Dec. 31, 1997
Act No. 5556, Sep. 16, 1998
Act No. 5702, Jan. 29, 1999
Act No. 6018, Sep. 07, 1999
(Agricultural Cooperatives Act)
Act No. 6173, Jan. 21, 2000
Act No. 6274, Oct. 23, 2000
(Financial Holding Company Act)
Act No. 6323, Dec. 30, 2000
Act No. 6429, Mar. 28, 2001
(Mutual Savings and Finance Company Act)

CHAPTER I. GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to contribute to protecting depositors and maintaining the stability of the financial system by efficiently operating a deposit insurance system in order to cope with a situation in which a financial institution is unable to pay its depositors due to its bankruptcy. <Amended by Act No. 5492, Dec. 31, 1997>

Article 2 (Definitions)

For the purpose of this Act, the definitions of terms shall be as follows: <Amended by Act No. 5403, Aug. 30, 1997; Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998>

1. The term "insured financial institutions" means financial institutions which are the objects of applications of deposit insurance under this Act and which fall under any of the following Subparagraphs:

(a) Financial institutions which have received authorization pursuant to Article 8 - Paragraph (1) of the Banking Act;

(b) The Korea Development Bank established under the Korea Development Bank Act;

(c) The Industrial Bank of Korea established under the Industrial Bank of Korea Act;

(d) Deleted; <by Act No. 5403, Aug. 30, 1997>

(e) The National Agricultural Cooperatives Federation under the Agricultural Cooperatives Act;

(f) The National Federation of Fisheries Cooperatives under the Fisheries Cooperatives Act, and its member fisheries cooperatives which engage in the business falling under Article 65, Subparagraph (1) 4 (d) of the Fisheries Cooperatives Act;

(g) Deleted; <by Act No. 6018, Sep. 7, 1999>

(h) The Long-term Credit Bank under the Long-term Credit Bank Act;

(i) Domestic branches and agencies of foreign financial institutions which have received authorization pursuant to Article 58 - Paragraph (1) of the Banking Act (excluding domestic branches and agents of foreign financial institutions as prescribed by the Presidential Decree);

(j) Securities companies which have obtained a permission pursuant to Article 2, Subparagraphs (8) 2 through 4 of the Securities and Exchange Act (excluding certain securities companies designated by the Presidential Decree among the securities companies which engage only in the trading of securities outside the Korea Stock Exchange); <Amended by Act No. 6323, Dec. 30, 2000>

(k) Insurance companies which have obtained a permission pursuant to Article 5 - Paragraph (1) of the Insurance Business Act (excluding insurance companies which mainly engage in the reinsurance business or guarantee insurance business as determined by the Presidential Decree);

(l) Merchant banks under the Merchant Banks Act;

(m) Mutual savings banks under the Mutual Savings Bank Act; and <Amended by Act No. 6429, Mar. 28, 2001>

(n) Credit unions which have obtained a permission pursuant to Article 7 - Paragraph (1) of the Credit Union Act; <Amended by Act No. 6323, Dec. 30, 2000>

2. The term "deposits" means those falling under any of the following Subparagraphs, provided that the scope may be restricted by the Presidential Decree:

(a) Money which insured financial institutions as provided in Subparagraph 1 (a) through (i) (hereinafter referred to as "banks") have raised by bearing liabilities

from unspecified persons in the form of deposits, installment deposits, or other money installments, and money which they have raised through money trusts whose principals are compensated under Article 10 Paragraph (2) of the Trust Business Act;

(b) Money which any customer has deposited in insured financial institutions as provided in Subparagraph 1 (j) (hereinafter referred to as "securities companies") in connection with buying and selling of securities or other transactions;

(c) Insurance premiums which insured financial institutions as provided in Subparagraph 1 (k) (hereinafter referred to as "insurance companies") have received according to any insurance contract;

(d) Money which insured financial institutions as provided in Subparagraph 1 (l) (hereinafter referred to as "merchant banks") and the banks and securities companies that merged into a merchant bank, in accordance with the Financial Industry Restructuring Act, have raised pursuant to Article 7 - Paragraph (1) of the Merchant Banks Act, by issuing bills and selling financial products to unspecified persons for the purpose of investing the funds in securities, and pay profits therefrom as dividends; <Amended by Act No. 6323, Dec. 30, 2000>

(e) Money which insured financial institutions as provided in Subparagraph 1 (m) (hereinafter referred to as "mutual savings banks") have raised in the form of fraternity dues, installments, deposits and installment deposits, etc.; and <Amended by Act No. 6429, Mar. 28, 2001>

(f) Money which insured financial institutions as provided in Subparagraph 1 (n) (hereinafter referred to as "credit unions") have raised in the form of investments, deposit money, and installment deposits;

3. The term "depositors" means those who have deposits and other claims on insured financial institutions.

4. The term "deposits and other claims" means the principal, interest, profits, insurance money, various payments or other agreed pecuniary claims which depositors have against insured financial institutions through their financial transactions such as deposits.

5. The term "failed financial institutions" means the following insured financial institutions:

(a) Insured financial institutions, the liabilities of which are found to exceed their assets as a result of due diligence, or insured financial institutions as and when they become clear that it would be difficult to manage the institutions normally because their liabilities are in excess of their assets due to occurrence of large scale of financial losses or non-performing assets, which are so determined by the Financial Supervisory Commission or the Policy Committee mentioned in

[Article 8];

(b) Insured financial institutions which have suspended payment of deposits and other claims, or of redemption on borrowed money from other financial institutions; and

(c) Insured financial institutions for which the Financial Supervisory Commission or the Policy Committee mentioned in [Article 8] deems it would be difficult for the institutions to pay deposits and other claims or redeem borrowed money without financial assistance or separate external borrowing (excluding borrowing incurred in respect of ordinary financial transactions);

5-2. The term "failing or insolvency-threatened financial institutions" means insured financial institutions whose financial structures are so unsound that the Policy Committee mentioned in [Article 8] deems insolvency is imminent.

6. The term "financial assistance" refers to the following Subparagraphs which the Korea Deposit Insurance Corporation, established pursuant to [Article 3], provides using the Deposit Insurance Fund mentioned in [Article 24 - Paragraph (1)]:

(a) Loan or deposit of funds;

(b) Purchase of assets;

(c) Guarantee or acceptance of obligations; and

(d) Equity participation or contribution;

7. The term "insured risk event" means the following Subparagraphs:

(a) Insured financial institutions' payment suspension of deposits and other claims (hereinafter referred to as "category I insured risk event"); and

(b) Insured financial institutions' cancellation of business authorization and permission, decision of dissolution or declaration of bankruptcy (hereinafter referred to as "category II insured risk event").

CHAPTER II. DEPOSIT INSURANCE CORPORATION

SECTION 1. General Provisions

Article 3 (Establishment)

The Korea Deposit Insurance Corporation (herein after referred to as "KDIC") shall be established for the purpose of efficiently operating a deposit insurance system under this Act.

Article 4 (Legal Status)

(1) The KDIC is a special legal entity with non-specified –capital base.

(2) The KDIC shall be operated in accordance with this Act, the mandates issued under this Act, and its Articles of Incorporation.

Article 5 (Registration)

(1) The KDIC shall be registered as prescribed by the Presidential Decree.

(2) The KDIC shall be formed by registering its incorporation at the location of its main office.

(3) Matters which are to be registered pursuant to Paragraph (1) shall not be proceeded against a third party until after their registration.

Article 6 (Articles of Incorporation)

(1) In the Articles of Incorporation, the following matters shall be entered:

1. Purpose;
2. Denomination;
3. Location of office;
4. Matters relating to the Deposit Insurance Fund;
5. Matters relating to the Policy Committee;
6. Matters relating to the Board of Directors;
7. Matters relating to the officers and employees;
8. Matters relating to the duties and execution thereof;
9. Matters relating to accounting;
10. Matters relating to changes in the Articles of Incorporation; and
11. Methods of public notification.

(2) When the KDIC desires to change its Articles of Incorporation, it shall obtain the authorization from the Minister of the Ministry of Finance and Economy, after a resolution has been passed by the Policy Committee established pursuant to [Article 8]. <Amended by Act No. 5556, Sep. 16, 1998>

Article 7 (Prohibition on the Use of Similar Trade Name)

An entity which is not the KDIC shall not use "Korea Deposit Insurance Corporation" or any other similar trade names.

SECTION 2. Policy Committee

Article 8 (Policy Committee)

(1) A Policy Committee (hereinafter referred to as the "Committee") shall be established in the KDIC.

(2) The Committee shall establish the basic direction relating to the operation of the KDIC, in accordance with this Act, orders issued thereunder, or the Articles of Incorporation, and shall deliberate such matters as the operation plan of the

Deposit Insurance Fund.

Article 9 (Composition of the Committee)

(1) The Committee shall be composed of members of the following Subparagraphs: <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998>

1. President of the KDIC;
2. Vice Minister of the Ministry of Finance and Economy;
3. Vice Minister of the Ministry of Planning and Budget <Inserted by Act No. 6173, Jan. 21, 2000>;
4. Vice Chairman of the Financial Supervisory Commission (hereinafter referred to as "FSC");
5. Deputy Governor of the Bank of Korea;
6. ~ 12. Deleted; <by Act No. 6323, Dec. 30, 2000>
13. One member commissioned by the Minister of the Ministry of Finance and Economy, three members recommended by the Minister of the Ministry of Planning and Budget, Chairman of the Financial Supervisory Commission, and Governor of the Bank of Korea, respectively, and commissioned by the Minister of the Ministry of Finance and Economy. <Amended by Act No. 6323, Dec. 30, 2000>

(2) The qualifications for the members of Subparagraph (1) 13 shall be prescribed by the Presidential Decree. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6173, Jan. 21, 2000>

(3) The term of office of the members of Subparagraph (1) 13 shall be three years, and they may be re-appointed. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6173, Jan. 21, 2000>

Article 10 (Operation)

(1) The president of the KDIC shall be the Chairman of the Committee.

(2) The Chairman shall represent the Committee and exercise general control over the business of the Committee.

(3) When the Chairman is unable to perform his duties for compelling reasons, the members mentioned in [Article 9, Subparagraphs (1) 2 through 5] shall act for the Chairman in accordance with the order prescribed thereunder. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6173, Jan. 21, 2000>

(4) The Committee shall make resolutions with the attendance of a majority of all the members and with the affirmative vote of a majority of the members present.

(5) ~ (9) Deleted; <by Act No. 6323, Dec. 30, 2000>

(10) The Policy Committee shall produce meeting minutes and also publicize them in

accordance with its decisions.<Inserted by Act No. 6323, Dec. 30, 2000>

(11) If it deems necessary, the Policy Committee can allow an expert or someone it accepts as a representative of the insured financial institutions to attend its meetings and solicit opinions. <Amended by Act No. 6323, Dec. 30, 2000>

(12) Matters necessary for the operation of the Committee shall be prescribed by the Presidential Decree. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6323, Dec. 30, 2000>

SECTION 3. Officers and Employees

Article 11 (Officers)

(1) The KDIC shall have one president, not more than five directors, and one statutory auditor. <Amended by Act No. 5492, Dec. 31, 1997>

(2) The president of the KDIC shall be appointed and dismissed by the President of the Republic of Korea upon the recommendation of the Minister of the Ministry of Finance and Economy. <Amended by Act No. 5556, Sep. 16, 1998>

(3) The directors shall be appointed and dismissed by the Minister of the Ministry of Finance and Economy upon the recommendation of the president of the KDIC. <Amended by Act No. 5556, Sep. 16, 1998>

(4) A statutory auditor shall be appointed and dismissed by the Minister of the Ministry of Finance and Economy. <Amended by Act No. 5556, Sep. 16, 1998>

(5) The term of office of the president, the directors, and the statutory auditor (hereinafter referred to as "officers") shall be three years, and they may be re-appointed.

(6) When there is a vacancy among the officers, it shall be filled by a new appointment, and the term of office of the successor shall be reckoned from the date on which he is appointed.

Article 12 (Duties of Officers)

(1) The president shall represent the KDIC, and exercise general control over the business of the KDIC.

(2) The directors shall assist the president, and shall take partial charge of the business of the KDIC, pursuant to the Articles of Incorporation.

(3) When the president is unable to perform his duties, an officer shall act for the president, in the order as provided for in the Articles of Incorporation.

(4) The statutory auditor shall inspect and audit the business and accounting of the KDIC.

Article 13 (Status Guarantee of Officers)

Except in cases falling under one of the following Subparagraphs, no officer shall be removed against his will before the end of his term of office:

1. When a case falls under any of the Subparagraphs of [Article 16];
2. When a case is in conflict with this Act, an order issued under this Act or the Articles of Incorporation; and
3. When, due to mental or physical disability, the execution of one's duties is extremely difficult.

Article 14 (Board of Directors)

(1) A board of directors shall be established in the KDIC.

(2) The board of directors shall be composed of the president and directors.

(3) The board of directors shall resolve principal matters relating to the business of the KDIC.

(4) The president shall convene the board of directors, and shall be the chairman.

(5) The board of directors shall make resolutions with the attendance of a majority of all the members and with the affirmative vote of a majority of the members present.

(6) The statutory auditor may state his views by attending the meetings of the board of directors.

Article 15 (Appointment and Dismissal of Employees)

The president shall appoint and dismiss employees of the KDIC.

Article 15 –2 (Appointment)

1) The president of the KDIC may appoint officers and employees of the KDIC to represent the KDIC in legal hearings or other official proceedings.

2) The scope of the officers and employees of the KDIC who are appointed pursuant to Paragraph (1) shall be prescribed by the Presidential Decree. <Inserted by Act No. 6173, Jan. 21, 2000>

Article 16 (Disqualification for Appointment to Office)

A person who falls under any of the following Subparagraphs shall not be an officer of the KDIC, and a person who falls under the Subparagraph 2 shall not be an employee of the KDIC: <Amended by Act No. 6323, Dec. 30, 2000>

1. A person who is not a national of the Republic of Korea; and
2. A person falling under any of the Subparagraphs of Article 33 of the National

Public Service Act.

Article 17 (Prohibition on Concurrent Holding of Posts)

(1) Except for his duties as an officer of the KDIC, an officer of the KDIC shall not be engaged in profit-making business without obtaining the permission from the Minister of the Ministry of Finance and Economy. <Amended by Act No. 5556, Sep. 16, 1998>

(2) Except for his duties, an employee shall not be engaged in profit-making business without obtaining the permission of the president the KDIC.

(3) An officer or employee of the KDIC, or a person who held such positions in the KDIC, shall not divulge any secrets learned from his duties at the KDIC.

SECTION 4. Duties

Article 18 (Scope of Duties)

(1) For the purpose of attaining the objectives of this Act, the KDIC shall carry out duties listed in the following Subparagraphs: <Amended by Act No. 5492, Dec. 31, 1997>

1. Management and operation of the Deposit Insurance Fund;
1-2. Vicarious exercise of damage claim rights pursuant to [Article 21-2]; <Inserted by Act No. 6323, Dec. 30, 2000>
2. Receipt of insurance premiums pursuant to [Article 30];
3. Payments of insurance money pursuant to [Articles 31 and 32];
4. Resolution of failed financial institutions pursuant to [Articles 35-2 through 38]; <Amended by Act No. 6323, Dec. 30, 2000>
5. Duties incidental to the duties of Subparagraphs 1 through 4;
6. Duties commissioned or designated by the government for the protection of depositors; and
7. Other duties as determined by other Acts and subordinate statutes.

(2) The KDIC may, upon deliberation by the Committee, enact provisions necessary for the execution of its duties.

Article 19 Deleted. <by Act No. 5492, Dec. 31, 1997>

Article 20 (Mandate of Business)

(1) The KDIC may, if necessary, mandate part of its duties to other institutions (hereinafter referred to as "agencies"). <Amended by Act No. 5556, Sep. 16, 1998; Act No. 5702, Jan. 29, 1999>

(2) The scope of the agencies shall be prescribed by the Presidential Decree.

Article 21 (Request to Insured Financial Institutions for Submission of Materials)

(1) The KDIC may request that an insured financial institution and the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act to submit materials related to its business and financial status to the extent necessary for the execution of duties such as the determination of the insured financial institution as a failed financial institution pursuant to [Article 2 - Paragraph (5)] or as a failing or insolvency threatened financial institution pursuant to [Article 2 - Paragraph (5-2)], the establishment and receipt of insurance premiums pursuant to [Article 30], the calculation and payment of insurance money pursuant to [Articles 31 and 32], and the resolution of failed financial institutions pursuant to [Articles 35-2 through 38-2]. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6274, Oct. 23, 2000; Act No. 6323, Dec. 30, 2000>

(2) On the basis of the materials submitted pursuant to Paragraph (1), the KDIC may investigate the business and financial status of an insured financial institution and the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act, which is deemed to be threatened with insolvency by the Committee. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6274, Oct. 23, 2000; Act No. 6323, Dec. 30, 2000>

(3) The KDIC may ask the Governor of the Financial Supervisory Service (hereinafter referred to as "the Financial Supervisory Service Governor"), established under the Act on the Establishment of Financial Supervisory Organizations, to conduct an examination of an insured financial institution and the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act and deliver the results of the examination, or direct member of the Financial Supervisory Service to participate jointly in the examination of the insured financial institution and the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act by setting the specific scope as deemed necessary to protect depositors and maintain the stability of the financial system. When met with such request, the Financial Supervisory Service Governor shall comply unless any special cause exists. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6274, Oct. 23, 2000>

(4) When it is deemed necessary for the protection of depositors, the KDIC may ask the Financial Supervisory Service Governor to present data relating to an insured financial institution and the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act by setting the

specific scope. When met with such request, the Financial Supervisory Service Governor shall comply unless any special cause exists. <Inserted by Act No. 5556, Sep. 16, 1998; Amended by Act No. 6274, Oct. 23, 2000>

(5) When the KDIC determines that there is a possibility for occurrence of an insured risk event based on the investigation pursuant to Paragraph (2), it shall inform the FSC of such findings and may ask the FSC to take appropriate actions. In this case, the FSC, when asked, shall comply with the request unless any special cause exists. <Inserted by Act No. 6323, Dec. 30, 2000>

Article 21 -2 (Assignment and Assumption of Damage Claim Right)

(1) KDIC shall have the right to request compensation for damages from former and current employees and/or officers of applicable insolvent or at risk of insolvency financial institutions (hereinafter referred to as "insolvent financial institutions" and includes their liquidators and bankruptcy administrators for this Article), persons responsible for insolvency or creating a risky circumstance pursuant to each Subparagraph of the Commercial Code 401 - Paragraph 2-1, default debtors of the insolvent financial institutions (if the debtor is a corporate entity: the former and current employees/officers of such corporation; persons falling under each Subparagraph of the Commercial Code 401 - Paragraph 2-1; and major shareholders as determined by the Presidential Decree) and from relevant third party entities (hereinafter referred to as "insolvency related entities"). <Amended by Act No. 6323, Dec. 30, 2000>

1. Institutions that the KDIC has determined to be eligible for insurance claim payments or such payments have already been made according to [Article 31 and Article 34 - Paragraph (1)].
2. Institutions applicable under [Article 36-3 - Paragraph (1)], that have been mandated by the KDIC to transfer their operations or client contracts to the KDIC, or the KDIC has decided to make deposit and bond payments, or such payments have already been made.
3. Institutions to which the KDIC has decided to provide financial support or has already provided such assistance according to [Article 38].
4. Deleted. <by Act No. 6323, Dec. 30, 2000>

(2) The KDIC shall mandate applicable institutions to provide relevant reasons, request methods, and the duration of request in writing, pursuant to Paragraph (1).

(3) In the case that an applicable institution does not comply with the mandates of the KDIC under Paragraph (1), the KDIC can immediately assume and carry out damage payment request from the entities and individuals that caused or contributed to the insolvency.

(4) In the case that the insolvent institution performs on the damage payment request in the form of litigation pursuant to Paragraph (1), the KDIC can participate in the litigation in an effort to aid the institution. In such cases, Civil Litigation Code Articles 65 through 71 shall be applied.

(5) In the case that the KDIC files the damage request litigation in subrogation of an insolvent institution pursuant to Paragraph (3), or at the request of the institution pursuant to Paragraph (4), the institution must bear the cost of the KDIC's participation.

(6) In the case that an insolvent institution becomes bankrupt, the costs that were not assumed by the institution pursuant to Paragraph (5) shall be perceived as an obligatory right of the bankruptcy foundation.

(7) In the case that the KDIC files for damage payment request, or performs such action in subrogation, or deems necessary in litigation participation pursuant to Paragraphs (1) through (4), the KDIC may perform investigations on the operations and asset status of the relevant insolvent institution and default debtors of such institution. <Amended by Act No. 6323, Dec. 30, 2000>

(8) Paragraphs (1) through (6) apply to insured financial institutions that emerged as result of merger with an insolvent institution or third party acquirement of an insolvent institution.<Inserted by Act No. 6173, Jan. 21, 2000>

(9) The person performing the investigation pursuant to Paragraph (7) shall carry the appropriate proof of the investigation authority and display it to the relevant persons. <Inserted by Act No. 6323, Dec. 30, 2000>

(10) The items necessary for the investigation pursuant to Paragraph (7) shall be those prescribed by the Presidential Decree. <Inserted by Act No. 6323, Dec. 30, 2000>

Article 21 -3 (Request for Production of Documents)

(1) In the case that the KDIC files for damage payment request, or performs such action in subrogation, or deems necessary in litigation participation pursuant to Article 21-2 - Paragraphs (1) through (4), the KDIC may request the presidents or chiefs of pertinent central administration agencies, local government agencies, and/or public institutions that are selected by Presidential Decree (hereinafter referred to as "public institutions" in this Article) to provide information and data related to assets of the entities or individuals that caused or contributed to the insolvency.

(2) A public institution that receives a request from the KDIC, pursuant to Paragraph (1), must comply with the request unless it is met with compelling circumstances. [Article inserted by Act No. 6173, Jan. 21, 2000]

SECTION 5. Treasury and Accounting

Article 22 (Fiscal Year)

The fiscal year of the KDIC shall be in accordance with the fiscal year of the government.

Article 23 (Budget and Settlement of Accounts)

The budget and settlement of accounts of the KDIC shall be subject to approval by the Minister of the Ministry of Finance and Economy upon resolution of the Committee. <Amended by Act No. 5556, Sep. 16, 1998>

Article 24 (Establishment of Deposit Insurance Fund)

(1) The Deposit Insurance Fund (hereinafter referred to as " DIF") shall be established by the KDIC for the receipt of insurance premiums pursuant to [Article 30], payment of insurance money pursuant to [Articles 31 and 32], purchase of deposits and other claims pursuant to [Article 35-2], capital contributions pursuant to [Article 36-3 - Paragraph (4)], and financial assistance pursuant to [Article 36-5 - Paragraph (3) and Article 38],. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998; Act No. 6323, Dec. 30, 2000>

(2) The following Subparagraphs shall be the sources of revenue for the DIF: <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998>

1. Contributions from insured financial institutions;
2. Contributions from the government;
2-2. Funds raised through issuance of Deposit Insurance Fund Bonds;
2-3. State property granted by the government to the KDIC under [Article 24-2];
3. Borrowings under the provisions of [Article 26];
4. Insurance premiums received under the provisions of [Article 30 - Paragraph (1)];
4-2. Funds collected from deposits and other claims purchased under [Article 35-2];
5. Funds recovered from those funds provided for the resolution of failed financial institutions pursuant to [Article 36-5 - Paragraph (3), or Article 38; and <Amended by Act No. 6323, Dec. 30, 2000>
6. Operating profits of the DIF and other revenues.

(3) The expenditures of the DIF shall consist of insurance money, repayment of the principal and interest of Deposit Insurance Fund Bonds, payments to depositors under [Article 35-2], capital contributions under [Article 36-3 - Paragraph (4)], funds and related incidental expense supported for the resolution of failed financial institutions under [Article 36-5 - Paragraph (3), or Article 38], redemption of

borrowed money and interest thereon, and funds transferred to the KDIC operation account for the operation of the KDIC under [Article 24-3 - Paragraph (1)]. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998; Act No. 6323, Dec. 30, 2000>

(4) The contributions under Subparagraph (2) 1 shall be determined separately for each insured financial institution by taking into account the deposit balance of each insured financial institution, within one percent (ten percent for merchant banks and mutual savings banks) of its paid-in capital or capital contribution. The amount, time, and the method of payment shall be prescribed by Presidential Decree. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6429, Mar. 28, 2001>

Article 24-2 (Gratuitous Transfer of State Property)

(1) If the government deems it necessary to protect depositors and assure the stability of the credit order, it may transfer the miscellaneous property under Article 4 - Paragraph (4) of the National Property Act to the KDIC gratuitously, notwithstanding the provisions of Article 44 of the same Act.

(2) The transfer under Paragraph (1) shall be subject to the prior consent of the National Assembly after the deliberation of the Cabinet Council and the approval of the president of the Republic of Korea: Provided, that if such transfer is deemed particularly necessary to protect depositors and assure the stability of the credit order, such transfer shall only be subject to an ex post facto approval of the National Assembly. [Article inserted by Act No. 5421, Dec. 31, 1997]

Article 24-3 (Separate Accounting)

(1) The DIF shall separate its accounting from that of the funds necessary for the operation of the KDIC. <Inserted by Act No. 5556, Sep. 16, 1998>

(2) The DIF shall establish separate accounts for banks, securities companies, insurance companies, merchant banks, mutual savings banks, and credit unions, and keep their accounting separate from each other. For insurance companies, the account shall be divided further into life insurance account and non-life insurance account. <Amended by Act No. 6429, Mar. 28, 2001>

(3) The Committee shall determine: an overall transfer of assets and liabilities between accounts under Paragraph (2), transactions such as loans and transactions between accounts under Paragraph (2) and the KDIC, and the relevant methods of distributing expenses for the operation of the KDIC. <Amended by Act No. 5556, Sep. 16, 1998> [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 25 (Operation of Surplus Cash)

When there is a cash surplus, the KDIC may use such surplus in accordance with the methods falling under the following Subparagraphs: <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998>

1. Purchase of government bonds and public loans, or other securities designated by the Committee;
2. Deposit in insured financial institutions designated by the Committee; and
3. Other methods prescribed by the Minister of the Ministry of Finance and Economy.

Article 26 (Borrowings)

(1) When deemed necessary for the execution of its duties in [Article 18, Subparagraphs (1) 3 and 4], the KDIC, notwithstanding the provisions of Article 79 of the Bank of Korea Act, may borrow funds, which shall be recorded at the account of the DIF and redeemed by the DIF, from the government, the Bank of Korea, insured financial institutions or other institutions as determined by the Presidential Decree, as prescribed by the Presidential Decree. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998>

(2) The government may guarantee the redemption of the principal of and the interest on borrowings from the Bank of Korea under Paragraph (1). <Inserted by Act No. 5492, Dec. 31, 1997>

Article 26-2 (Issuance of Deposit Insurance Fund Bonds)

(1) The KDIC may issue Deposit Insurance Fund Bonds (hereinafter referred to as "DIF Bonds") from the DIF accounts through a decision by the Committee to raise funds necessary for the protection of depositors and stability of the credit order.

(2) Where the KDIC intends to issue Bonds, it shall determine the amount, terms and methods of issuance and redemption at every issuance and report them to the Minister of the Ministry of Finance and Economy. <Amended by Act No. 5556, Sep. 16, 1998>

(3) The necessary matters for the issuance of Bonds shall be determined by the Committee.

(4) The prescription of Bonds shall terminate at the lapse of five years for principal and two years for interest.

(5) The government may guarantee the redemption of the principal and interest of Bonds.

(6) Bonds shall be deemed bonds under Article 2, Subparagraph (1) 3 of the Securities and Exchange Act. [Article inserted by Act No. 5492, Dec. 31, 1997]

SECTION 6. Supervision

Article 27 (Supervision)

(1) The Minister of the Ministry of Finance and Economy shall guide and supervise the duties of the KDIC, and may give necessary orders. <Amended by Act No. 5556, Sep. 16, 1998>

(2) When a disposition taken by the KDIC under this Act is unlawful, or when the Minister of the Ministry of Finance and Economy deems it necessary for the protection of depositors, the minister may cancel all or part of such disposition or suspend the execution of such disposition.

Article 28 (Report and Examination)

(1) When deemed necessary, the Minister of the Ministry of Finance and Economy may have the KDIC report matters pertaining to its businesses, accounting, and properties, or have his subordinated officials examine the state of the KDIC's business, books and records, documents, facilities, or other matters. <Amended by Act No. 5556, Sep. 16, 1998>

(2) Where the subordinate officials conduct an examination under Paragraph (1), such officials shall carry certificates indicating their authorities and show the certificates to the relevant person.

CHAPTER III. DEPOSIT INSURANCE

Article 29 (Insurance Relations)

(1) Insurance relations among the KDIC, an insured financial institution, and depositors shall be formed and effected when a depositor holds deposits and/or other claims of an insured financial institution. <Amended by Act No. 5492, Dec. 31, 1997>

(2) Any insured financial institution shall indicate whether insurance relations have been created and their contents under Paragraph (1) on such terms and conditions as the KDIC may determine. <Inserted by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998>

(3) KDIC may investigate the compliance of insurance related acknowledgement of insured financial institutions pursuant to Paragraph (2). <Inserted by Act No. 6173, Jan. 21, 2000>

Article 30 (Payment of Insurance Premiums)

(1) Each insured financial institution shall pay every year to the KDIC the amount

calculated by multiplying its balance of deposits (in the case of insurance companies an amount as determined by the Presidential Decree in consideration of underwriting reserve pursuant to Article 98 of the Insurance Business Act) by the ratio as determined by the Presidential Decree not exceeding 0.5 percent (one hundred thousand won where the calculated premium amount is less than one hundred thousand won) as an annual insurance premium. In this case, the ratio applicable to each insured financial institution may be set differently taking into consideration the management and financial status of insured financial institution and accumulated amounts in each account for any specific type of insured financial institutions pursuant to [Article 24-3 - Paragraph (2)]. <Amended by Act No. 5556, Sep. 16, 1998>

(2) Notwithstanding Paragraph (1), the KDIC may either reduce all or part of the insurance premium or defer the payment of such insurance premium for a specified period for the insured financial institutions which fall under any of the following Subparagraphs upon resolution of the Committee: <Amended by Act No. 5492, Dec. 31, 1997>

1. An insured financial institution which is related to an insured risk event when such event occurs; or
2. An insured financial institution whose normal business is extremely difficult, and in view of its financial status, it is showing the signs of a suspension of the payment of deposits.

(3) When an insured financial institution does not pay the insurance premiums mentioned in Paragraph (1) by the specified time, such insured financial institution shall pay arrears in addition to the insurance premiums to the KDIC, as prescribed by the Presidential Decree. <Amended by Act No. 5492, Dec. 31, 1997>

(4) The method and time of payment of insurance premiums and arrears and other necessary matters mentioned in Paragraphs (1) and (3), shall be prescribed by the Presidential Decree.

(5) The KDIC has the priority over the general creditors of an insured financial institution with insurance event in respect of the premium payments, subordinate only to the national and local tax obligations of the institution. <Inserted by Act No. 6323, Dec. 30, 2000>

Article 30-2 (Obligation of Insured Financial Institutions to Maintain Confidentiality)

Any insured financial institution and its former and current officers/employees shall not use the contents of the differentiated insurance premiums, prescribed in [Article 30-1] in any type of advertisement, or in any way publicize or disclose to the general

public, other than to the pertinent officers/employees of the institution: Provided however, the disclosure or such contents prescribed by the Presidential Decree as deemed necessary to protect the depositors may be an exception. [Article inserted by Act No. 6173, Jan. 21, 2000]

Article 31 (Payment of Insurance Money)

(1) When an insured risk event occurs in respect of an insured financial institution, the KDIC shall pay the insurance money upon the request of the depositors of the insured financial institution concerned: Provided, that with respect to a category I insured risk event, there shall be a payment decision of the insurance money pursuant to [Article 34]. <Amended by Act No. 5492, Dec. 31, 1997>

(2) In the case of a category I insured risk event, the KDIC may in advance pay the depositors part of their deposits and other claims upon their request as prescribed by the Presidential Decree. <Amended by Act No. 5492, Dec. 31, 1997>

(3) As determined by the Presidential Decree, the KDIC must make public notification as to the initiation date of insurance claim payment, its duration, payment method, and other pertinent information pursuant to Paragraphs (1) and (2). <Amended by Act No. 6173, Jan. 21, 2000>

(4) In case a financial institution which is newly established, or which continues to exist, or which is converted as a consequence of a merger or conversion under the Act on the Structural Improvement of the Financial Industry continues to conduct the business of the pre-existing financial institution which no longer exists due to a merger or conversion pursuant to Article 9 of the same Act, such financial institution and such pre-existing financial institution shall be deemed to exist respectively as independent insured financial institutions in applying Paragraph (1) for one year from the date of the registration of the merger or of the amendment to its Articles of Incorporation with respect to the change of its business category. <Inserted by Act No. 5556, Sep. 16, 1998>

(5) In case a category II insured risk event follows a category I insured risk event, such category II insured risk event shall not be deemed as an independent insured risk event in applying Paragraph (1). <Inserted by Act No. 5556, Sep. 16, 1998>

(6) When making insurance claim payments pursuant to Paragraph (1), if the recipient depositors is an insolvency related person under [Article 21-2 - Paragraph (1)] or is a person specially related to such insolvency related person according to the Presidential Decree, the KDIC may defer the payment of the insurance money in respect of such person's deposits and other relevant claims for up to a period of six months from the initiation date of insurance claim payment (hereinafter referred to as "public announcement date for insurance money payment") pursuant to Article

- Paragraph (3), in accordance with the Presidential Decree. <Inserted by Act No. 6323, Dec. 30, 2000>

(7) If the right of a depositor to make insurance claim pursuant to Paragraph (1) is not exercised within five years from the payment initiation date, the statue of limitation of that right is deemed to be expunged. <Inserted by Act No. 6173, Jan. 21, 2000>

Article 32 (Calculation of Insurance Money)

(1) The insurance money paid to each depositor by the KDIC shall be the amount obtained by deducting the total amount of debts (excluding guarantee obligations) owed by each depositor to his corresponding insured financial institution from the total amount of deposits and other claims of such depositor as of the public announcement date for insurance money payment pursuant to [Article31 - Paragraph (3)]: Provided, that this shall not apply where it is otherwise determined by the Presidential Decree. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998>

(2) The maximum amount of insurance money mentioned in Paragraph (1) shall be determined by the Presidential Decree in consideration of the per capita GDP and the aggregate amount of protected deposits, etc. <Amended by Act No. 6323, Dec. 30, 2000>

(3) Where there is an amount received in advance (hereinafter referred to as "provisionally-paid money") by each depositor pursuant to [Article 31 - Paragraph (2)], the insurance money shall be the amount obtained by deducting the provisionally-paid money from the amount mentioned in Paragraphs (1) and (2).

(4) Where the amount of the provisionally paid money to a depositor exceeds the insurance money mentioned Paragraphs (1) and (2), the depositor shall return such excess amount to the KDIC.

Article 33 (Notification of Insured Risk Event)

(1) When an insured risk event occurs, the insured financial institution shall promptly notify the KDIC of such fact without delay. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5702, Jan. 29, 1999>

(2) Where one of the following events occurs, the Minister of the Ministry of Finance and Economy, the Financial Supervisory Commission or the Financial Supervisory Service Governor shall promptly notify the KDIC: <Amended by Act No. 5492, Dec. 31, 1997; Act No. 5556, Sep. 16, 1998>

1. When an order to suspend the payment of deposits and other claims or to suspend the business is issued to an insured financial institution;

2. When either the authorization or permission of business for an insured financial institution is cancelled, or the dissolution resolution of an insured financial institution is approved; or
3. When a notification pursuant to Article 115 of the Bankruptcy Act, is received from the court.

Article 34 (Payment Decision)

(1) The KDIC, in the case of a category I insured risk event, shall decide whether or not to pay the insurance money within two months from the date of the receipt of the notification pursuant to [Article 33] upon resolution of the Committee. <Amended by Act No. 5492, Dec. 31, 1997>

(2) The KDIC may extend the time limit of Paragraph (1) up to one month by obtaining an approval from the Minister of the Ministry of Finance and Economy. <Amended by Act No. 5556, Sep. 16, 1998>

Article 35 (Acquisition of Claims)

The KDIC, within the amount of such payment, shall acquire the rights of the depositors against the failed financial institution when it pays insurance money and provisionally paid money. <Amended by Act No. 5492, Dec. 31, 1997>

CHAPTER IV. RESOLUTION OF FAILED FINANCIAL INSTITUTIONS

Article 35-2 (Purchase of Deposits and Other Claims)

(1) When the KDIC pays insurance money pursuant to [Article 31 - Paragraph (1)], it may purchase deposits and other claims related to the insured risk event concerned.

(2) The KDIC shall, in the case of purchasing deposits and other claims pursuant to Paragraph (1), pay an amount obtained by estimating the value of deposits and other claims (hereinafter referred to as "estimated payment") pursuant to Paragraph (3) upon the request of depositors. In this case, if the amount, calculated by deducting the expenses from the collected amount of deposits and other claims which have been purchased by the KDIC, exceeds the estimated payment, the KDIC shall pay the excess amount additionally to the depositors.

(3) An estimate payment shall be the amount calculated by multiplying the value of deposits and other claims to be purchased by the KDIC from such depositors which should be calculated as of the public announcement date for payment of insurance money (excluding deposits and other claims equivalent to guarantee obligations of depositors, and deposits and other claims provided as collateral) by

the Estimate Payment Rate pursuant to [Article 35-3]. <Amended by Act No. 5556, Sep. 16, 1998> [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 35-3 (Estimate Payment Rate)

The KDIC shall, when it purchases deposits and other claims pursuant to [Article 35-2 - Paragraph (1)], determine an Estimate Payment Rate, taking into consideration an amount to be collected from deposits and other claims related to the failed financial institution concerned in view of such estimated institution's financial status if bankruptcy proceedings are initiated. [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 35-4 (Approval of Payment of Estimate Payment)

The KDIC shall, when it intends to pay the Estimate Payment pursuant to [Article35-2 - Paragraph (2)], obtain approval from the Minister of the Ministry of Finance and Economy through the decision of the Committee by determining the Estimate Payment Rate mentioned in [Article35-3], the period and method, etc. of purchasing deposits and other claims. <Amended by Act No. 5556, Sep. 16, 1998> [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 35-5 (Public Announcement of Purchase)

The KDIC will, when it obtains approval pursuant to [Article 35-4], publicly announce the fact in such manner as prescribed in the Presidential Decree. [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 35-6 (KDIC's Right of Set-off by Subrogation)

The KDIC may, on behalf of the depositors, offset deposits and other claims (excluding deposits and other claims provided to insured financial institutions as collateral by such depositors) of each depositor by debt obligations (excluding guarantee obligations) for which depositors are liable to the insured financial institutions as of the public announcement date for payment of insurance money. [Article inserted by Act No. 5556, Sep. 16, 1998]

Article 35-7 (Administrator Affairs)

In the case that an officer or an employee of the KDIC is appointed as an administrator pursuant to Article 14-6 - Paragraph 1 of Financial Industry Restructuring Act and/or Article 86-2 - Paragraph 5 of Credit Union Act, [Article 21 - Paragraph (3)] of the Depositor Protection Act will be applied with respect to the role of such administrator. [Article inserted by Act No. 6173, Jan. 21, 2000]

Article 35-8 (Liquidator or Bankruptcy Administrator Affairs)

(1) Deleted; <by Act No. 6323, Dec. 30, 2000>

(2) Deleted; <by Act No. 6323, Dec. 30, 2000>

(3) If a general meeting of stockholders does not take place as per Article 533 - Paragraph 1 and Article 540 - Paragraph 1 of the Commercial Code after an officer or an employee of the KDIC has been appointed as the liquidator pursuant to Article 20 - Paragraph 1 of the Public Fund Oversight Special Act, any approval from the Financial Supervisory Commission will be deemed as the approval of a general meeting of the stockholders. <Amended by Act No. 6323, Dec. 30, 2000>

(4) In the case that an officer or an employee of the KDIC has been appointed as the liquidator or bankruptcy trustee pursuant to Article 20 - Paragraph (1) of the Public Fund Oversight Special Act, the appointee's role will be governed by [Article 21 - Paragraph (3)]. <Amended by Act No. 6323, Dec. 30, 2000>

(5) The officer or the employee who is appointed as the liquidator or the bankruptcy trustee pursuant to Article 20 - Paragraph (1), of the Public Fund Oversight Special Act cannot request any compensation with respect to the specified role. However, expenses that are incurred in the process of performing that role may be requested. <Amended by Act No. 6323, Dec. 30, 2000> [Article inserted by Act No. 6173, Jan. 21, 2000]

Article 35-9 (Liability Insurance)

(1) The KDIC may require an insured financial institution (applicable under the guidelines specified by the Presidential Decree) to purchase an insurance policy (hereinafter referred to as "liability insurance") to protect against any financial loss the institution may suffer as a result of any default or illegal action committed by the officers/employees of the institution.

(2) If the pertinent institution of Paragraph (1) does not comply with such request, the KDIC may enter into such liability insurance policy in subrogation of the institution.

(3) If the pertinent institution does not comply with the premium payment requirement of the liability insurance in Paragraph (2), the KDIC may deduct the premium amount from the deposit insurance premium paid to the KDIC pursuant to [Article 30 - Paragraph (1)] and the deducted amount shall be construed as the delinquent or outstanding portion of the deposit insurance premium owed to the KDIC.

(4) The request to purchase the liability insurance policy and the procedure and methods for subrogate purchase of the policy by the KDIC shall be governed by

the Presidential Decree. [Article inserted by Act. No. 6323, Dec. 30, 2000]

Article 36 (Arrangement for Mergers)

The KDIC may arrange mergers, assignment of business, or acquisitions of failed financial institutions by the third party (hereinafter referred to as "mergers of failed financial institutions") in which the failed financial institutions or the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act is a party as deemed necessary for the protection of the depositors and maintenance of stability the financial system. <Amended by Act No. 5492, Dec. 31, 1997; Act No. 6323, Dec. 30, 2000>

Article 36-2 (Request for Contract Transfers)

(1) In case a financial institution falls under the criteria to be prescribed in the Presidential Decree and it is deemed necessary for the protection of the depositors, the KDIC may request the Financial Supervisory Commission to take necessary measures against the failed financial institution concerned, such as ordering the transfer of contracts and filing of petition of bankruptcy, etc.

(2) The Financial Supervisory Commission, when requested by the KDIC pursuant to Paragraph (1), shall notify the KDIC of the result without delay. [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 36-3 (Establishment of Resolution Financial Institution)

(1) The KDIC may establish a financial institution for taking over business or contracts of failed financial institutions, or the resolution process (hereinafter referred to as "Resolution Financial Institution") upon approval from the Minister of the Ministry of Finance and Economy as deemed necessary for the protection of the depositors and maintenance of stability of the financial system. <Amended by Act No. 5556, Sep. 16, 1998; Act No. 6173, Jan. 21, 2000>

(2) A Resolution Financial Institution shall be a corporation.

(3) The KDIC shall prepare the Articles of Incorporation of any Resolution Financial Institution including the following matters: <Inserted by Act No. 5556, Sep. 16, 1998>

1. Purpose;
2. Trade Name;
3. Total amount of paid-in capital;
4. Number of stocks to be issued at its incorporation;
5. Face value per stock;
6. Location of the main office; and

7. Method of public notification.

(4) The capital of any Resolution Financial Institution shall be contributed in full by the KDIC from the account of the DIF. <Amended by Act No. 5556, Sep. 16, 1998>

(5) Resolution Financial Institutions may use titles such as banks, securities companies, insurance companies, merchant banks, mutual savings banks or credit unions. [Articles 35 through 36 and Articles 37 through 39] shall apply to such institution as is deemed a failed financial institution within the scope related to resolution of failed financial institutions. <Amended by Act No. 6429, Mar. 28, 2001> [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 36-4 (Appointment and Officers and their Authority)

(1) A Resolution Financial Institution shall have one president, not more than two directors, and one statutory auditor.

(2) The president, directors, and statutory auditor shall be appointed by the KDIC. In this case, it shall obtain approval from the Minister of the Ministry of Finance and Economy in appointing the president. <Amended by Act No. 5556, Sep. 16, 1998>

(3) The president shall represent the Resolution Financial Institution and exercise general control over the business thereof.

(4) The KDIC may, when deemed necessary, dismiss the president, directors, or statutory auditor. In this case, it shall obtain approval from the Minister of the Ministry of Finance and Economy in dismissing the president. <Amended by Act No. 5556, Sep. 16, 1998>

(5) No person who has an interest in the failed financial institution shall be appointed as president, director, or statutory auditor.

(6) [Articles 12 - Paragraphs (2) through (4), Articles 14 and 15] shall apply mutatis mutandis to the Resolution Financial Institution. [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 36-5 (Business Scope of Resolution Financial Institutions)

(1) Resolution Financial Institutions shall carry out the payment of deposits and other claims, collection of claims such as loans, or other business affairs necessary for the efficient performance of resolution business of a failed financial institution which is approved by the Minister of the Ministry of Finance and Economy. <Amended by Act No. 5556, Sep. 16, 1998>

(2) An amount of deposits and other claims paid by a Resolution Financial Institution to depositors pursuant to Paragraph (1) shall be limited to insurance money and an estimate payment, and the payment shall be deducted from insurance money

mentioned in [Article32]. <Amended by Act No. 5556, Sep. 16, 1998>

(3) The KDIC may provide funds within the scope necessary for the operation of Resolution Financial Institutions in accordance with a decision by the Committee.

(4) The KDIC shall direct and supervise the business affairs of Resolution Financial Institutions as prescribed by the Presidential Decree. [Article inserted by Act No. 5492, Dec. 31, 1997]

(5) The Governor of the Financial Supervisory Service, when deemed necessary, may request a Resolution Financial Institution to provide necessary data within a specific parameter, or mandate the KDIC to perform an examination of the Resolution Financial Institution. <Inserted by Act No. 6173, Jan. 21, 2000>

Article 36-6 (Registration of Establishment and Announcement)

(1) The KDIC shall, when it establishes a Resolution Financial Institution pursuant to [Article36-3], register it with the court having jurisdiction over the location of the Resolution Financial Institution's main office.

(2) The KDIC shall, when it establishes a Resolution Financial Institution, publicly announce the establishment.

(3) The necessary matters for registration mentioned in Paragraph (1) and public announcement in Paragraph (2) shall be prescribed by the Presidential Decree. [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 36-7 (Business Period of Resolution Financial Institution)

(1) The business period of the Resolution Financial Institution shall be up to three years: Provided, that the business period may be extended up to one year upon approval from the Minister of the Ministry of Finance and Economy. <Amended by Act No. 5556, Sep. 16, 1998>

(2) The KDIC shall dissolve a Resolution Financial Institution upon approval from the Minister of the Ministry of Finance and Economy in case of a termination of business period of the Resolution Financial Institution, merger, or assignment or assumption of business between the Resolution Financial Institution and an insured financial institution or the acquisition of a Resolution Financial Institution when by a third party. <Amended by Act No. 5556, Sep. 16, 1998>

(3) When the KDIC deems that the continuation of business of any Resolution Financial Institution is likely to damage the interest of depositors, it may dissolve the Resolution Financial Institution upon approval from the Minister of the Ministry of Finance and Economy. <Amended by Act No. 5556, Sep. 16, 1998> [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 36-8 (Relationship with Other Acts)

(1) Unless otherwise prescribed in this Act, the Bank of Korea Act, the Banking Act, the Securities and Exchange Act, the Insurance Business Act, the Merchant Banks Act, the Mutual Savings Bank Act, the Credit Union Act and Articles288, 289 - Paragraphs (1) and (2), 295, 297 through 299, 299-2, 300, 317, 382 through 385, 389 - Paragraph (1), 393, 409 through 410, and 517 through 520 of the Commercial Law shall not apply to Resolution Financial Institutions. <Amended by Act No. 5556, Sep. 16, 1998; Act No. 6429, Mar. 28, 2001>

(2) In case there is any special provision in this Act with respect to Resolution Financial Institutions, this Act shall prevail over the Commercial Law. [Article inserted by Act No. 5492, Dec. 31, 1997]

Article 37 (Application for Financial Assistance)

Any person who intends to assume or merge an failed financial institution or a failing financial institution or take over the business or contracts thereof may apply to the KDIC for financial assistance. <Amended by Act No. 5556, Sep. 16, 1998> [Wholly amended by Act No. 5492, Dec. 31, 1997]

Article 38 (Financial Support for the Insured Financial Institutions)

(1) The KDIC, based on a decision by the Committee, may provide financial assistance to an insured financial institution or to the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act in accordance with the following Subparagraphs:

1. When there is an application for financial assistance pursuant to [Article37] or when it is deemed necessary to ensure that a merger involving a failed financial institution is undertaken smoothly.
2. When it is deem necessary to enhance the financial structure of the insolvent financial institution in the interest of protecting the depositors and maintaining stability of the credit system.

(2) The criteria, methods, and conditions and other necessary matters for financial assistance pursuant to Paragraph (1) shall be determined by the Committee. [Wholly amended by Act No. 6323, Dec. 30, 2000]

Article 38-2 Deleted. <by Act No. 6323, Dec. 30, 2000>

Article 38-3 (Special Debenture Transfer)

(1) In the case that the KDIC and Resolution Financial Institutions (hereinafter referred to as "agencies") acquire obligations with specific obligees in the process of acquiring assets pursuant to the Subparagraph 1 below, agencies will be deemed

to have met the confrontation requirements of Article 450 of the Civil Code that deals with the obligations with specific obligees by publicly announcing the acquirement in more than 2 (two) daily newspapers (at least one of the newspapers must have national distribution). However, debtors, guarantors, and other relevant parties may confront the agencies with respect to issues that occurred in relation to the applicable asset transferor prior to the announcement.

1. Assets the KDIC acquired in the process of insurance claim payment pursuant to [Article 31 - Paragraph (1)], or fund contribution pursuant to [Article 38-Paragraph (2)].
2. Assets the KDIC acquired from a Resolution Financial Institution.
3. Assets a Resolution Financial Institution acquired in relation to business operations pursuant to [Article 36-5 - Paragraph (1)].

(2) In the case that the agencies make appropriate announcement pursuant to Paragraph (1), they must retain and manage information regarding the acquired debentures, and make it available for review by relevant parties. The criteria and process of reviewing such information shall be set forth by the Financial Supervisory Commission. [Article inserted by Act No. 6173, Jan. 21, 2000]

Article 39 (Special Case of Continuation of Business)

Article 9 - Paragraph 1 of the Financial Industry Restructuring Act shall apply mutatis mutandis to the business of an insured financial institution which has taken over all of the business of an failed financial institution pursuant to [Article37]. <Amended by Act No. 5257, Jan. 13, 1997; Act No. 5492, Dec. 31, 1997>

CHAPTER V. PENAL PROVISIONS

Article 40 (Penal Provisions)

A person who violates [Article 17 - Paragraph (3)] shall be punished by an imprisonment for not more than 2 years, or by a fine not exceeding ten million won.

1. A person who divulges secrets is thereby in violation of [Article 17 - Paragraph (3)].
2. A person who either divulges, publicly announces, and/or uses differences in risk adjusted insurance premiums in his/her advertisement is thereby in violation of [Article 30 - Paragraph (2)]. <Amended by Act No. 6173, Jan. 21, 2000>

Article 41 (Penal Provisions)

A person who falls under the Subparagraph 1 below, shall be punished by an

imprisonment for not more than 1 year, or by a fine not exceeding five million won.

1. A person who either fails to meet a request for the submission of materials or submits false materials pursuant to [Article 21 - Paragraph (1)] or latter part of [Article 21-2 - Paragraph (8)].
2. A person who refuses, obstructs, or avoids an investigation pursuant to [Article 21 - Paragraph (2)]. <Amended on Jan. 21, 2000>

Article 42 (Legal Fiction of Public Officials in Application of Criminal Law)

(1) The officers and employees of the KDIC, and the officers and employees of an acting agency mentioned in [Article 20] shall be regarded as public officials in application of Articles 129 through 132 of the Criminal Law.

(2) The scope of the employees mentioned in Paragraph (1) shall be prescribed by the Presidential Decree.

Article 43 (Joint Penal Provisions)

When a representative, agent, employee or other employed person of an insured financial institution commits an act in violation of [Article 41] or [Article 40 - Paragraph (2)] with respect to the business affairs of such insured financial institution, a fine corresponding to each Paragraph of the two Articles shall be also imposed to such institution, in addition to punishment against offender. <Amended by Act No. 5492, Dec. 31, 1997: Jan. 21, 2000>

Article 44 (Negligence Fine)

(1) A person who violates the following Paragraphs shall be punished by a negligence fine not exceeding two million won. <Amended by Act No. 5556, Sep. 16, 1998; Jan. 21, 2000>

1. A person in violation of [Articles 7, Article 29 - Paragraph (2) and Article 33 - Paragraph (1)].
2. A person who refuses, obstructs, or avoids an investigation pursuant to [Article 21 - Paragraph (2)].

(2) The Minister of the Ministry of Finance and Economy shall impose and collect the negligence fines mentioned in Paragraph (1) in such manner as prescribed by the Presidential Decree. <Amended by Act No. 5556, Sep. 16, 1998>

(3) A person who objects to the disposition of a negligence fine pursuant to Paragraph (2) may file an objection with the Minister of the Ministry of Finance and Economy within thirty days from the date of receiving the notice of such disposition. <Amended by Act No. 5556, Sep. 16, 1998>

(4) When a person on whom a negligence fine is imposed pursuant to Paragraph (2)

files an objection pursuant to Paragraph (3), the Minister of the Ministry of Finance and Economy shall, without delay, notify the competent court of such fact, and the competent court which has received such notification shall render a judgment on the disposition of a fine for negligence in accordance with the Non-Contentious Case Litigation Procedure Act. <Amended by Act No. 5556, Sep. 16, 1998>

(5) When no objection is filed and no negligence fine is paid within the period mentioned in Paragraph (3), the Minister of the Ministry of Finance and Economy shall collect the negligence fine following the example of a disposition of national taxes in arrears. <Amended by Act No. 5556, Sep. 16, 1998>

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force on June 1, 1996: Provided, that the provisions of Chapters 3 and 4 shall enter into force on January 1, 1997.

Article 2 (Incorporation Committee)

(1) The Minister of the Ministry of Finance and Economy shall, within three months from the date of the promulgation of this Act, organize an incorporation committee by entrusting not more than ten incorporation commissioners, and have such incorporation commissioners handle business matters pertaining to the preparation for the incorporation of the KDIC.

(2) The incorporation committee shall draw up the Articles of Incorporation of the KDIC and receive authorization of the Minister of the Ministry of Finance and Economy.

(3) When the incorporation committee receives authorization pursuant to Paragraph (2), it shall make a registration of incorporation of the KDIC.

(4) When the incorporation committee completes the registration of incorporation pursuant to Paragraph (3), it shall transfer its duties and property to the president under the provisions of the KDIC, and when the transfer is completed, the incorporation commissioners shall be regarded as decommissioned thereupon.

(5) When necessary, the incorporation committee may execute its duties with the dispatched service of officers or employees of the concerned insured banks or institutions with the consent of said insured banks or institutions.

(6) The government may, within the limit of its budget, make contributions to the incorporation committee to defray the expenditure required in the preparation for the incorporation of the KDIC.

Article 3 Omitted.

ADDENDA <Act No. 5257, Jan. 13, 1997>

Article 1 (Enforcement Date)

This Act shall enter into force on March 1, 1997.

Articles 2 through 5 Omitted.

ADDENDA <Act No. 5403, Aug. 30, 1997>

Article 1 (Enforcement Date)

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

Articles 2 through 8 Omitted.

ADDENDUM <Act No. 5421, Dec. 13, 1997>

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

ADDENDA <Act No. 5492, Dec. 31, 1997>

Article 1 (Enforcement Date)

(1) This Act shall enter into force on April 1, 1998: Provided, that the amendments to Subparagraph 1, 5 and 5-2 of [Article 2], and [Articles 26 - Paragraph (2), 26-2, and 37 through 38-2], and the amendments to [Articles 5, Article 6 - Paragraphs (1) and (3), and Article 7] of the Addenda shall enter into force on the date of its promulgation, and the provisions of [Article 7] of the Addenda shall remain in force until March 31, 1998.

(2) Until March 31, 1998, with regard to the enforcement of the provisions enumerated in Paragraph (1): The authorities of the Financial Supervisory Commission with respect to insured financial institutions under Subparagraphs 1 (a) and (i) of [Article 2] shall be exercised by the Monetary Board. The FSC's authorities with respect to insured financial institutions under Subparagraphs 1 (b) through (h) and (k) through (m) of [Article 2] shall be exercised by the Minister of the Ministry of Finance and Economy. The FSC's authorities with respect to insured financial institutions under Subparagraph 1 (j) of [Article 2] shall be exercised by the Securities and Exchange Commission. The KDIC's authorities and business prerogative with respect to insured financial institutions under

Subparagraphs 1 (a) through (l) of [Article 2] shall be exercised by the KDIC. The KDIC's authorities and business prerogative with respect to insured financial institutions under Subparagraph 1 (j) of [Article 2] (a fund management company under Article 69-2 - Paragraph 1 of the Securities and Exchange Act with respect to the business of bond issue under [Article 26-2]) shall be exercised by the Securities and Exchange Commission. The KDIC's authorities and business prerogative with respect to insured financial institutions under Subparagraph 1 (k) of [Article 2] shall be exercised by the Insurance Supervisory Board., And The KDIC's authorities and business prerogative with respect to insured financial institutions under Subparagraphs 1 (l) and (m) of [Article 2] shall be exercised by the Credit Management Fund. The Policy Committee's authorities and business prerogative with respect to insured financial institutions under Subparagraphs 1 (a) through (i) of [Article 2] shall be exercised by the Policy Committee of the Korea Deposit Insurance Corporation., The Policy Committee's authorities and business prerogative with respect to insured financial institutions under Subparagraph 1 (j) of [Article 2] shall be exercised by the Securities and Exchange Commission., The Policy Committee's authorities and business prerogative with respect to insured financial institutions under Subparagraph 1 (k) of [Article 2] shall be exercised by the Management Committee of the Insurance Guarantee Fund., And the Policy Committee's authorities and business prerogative with respect to insured financial institutions under Subparagraph 1 (l) and (m) of [Article 2] shall be exercised by the Management Committee of the Credit Management Fund. The definition of the "deposit insurance fund", in respect of insured financial institutions under Subparagraphs 1 (a) through (i) of [Article 2] shall be the Deposit Insurance Fund; in respect of insured financial institutions under Subparagraph 1 (j) of [Article 2] shall be the Securities Investor Protection Fund; in respect of insured financial institutions under Subparagraphs 1 (k) of [Article 2] shall be the Insurance Guarantee Fund; and in respect of insured financial institutions under Subparagraphs 1 (l) and (m) of [Article 2] shall be the Credit Management Fund.

Article 2 (General Transitional Measures)

(1) Any authorization, permission or other acts done by the Insurance Supervisory Board in relation to the Insurance Guarantee Fund, by the Korea Non-Bank Deposit Insurance Corporation in relation to Contributed Fund Operation Accounts, or by the Credit Unions Federations in relation to the Credit Unions Stabilization Fund under the previous provisions at the time of enforcement of this Act shall be deemed acts done by the Korea Deposit Insurance Corporation under this Act.

(2) Any registration, report or other acts done to the Insurance Supervisory Board in relation to the Insurance Guarantee Fund, to the Korea Non-Bank Deposit Insurance Corporation in relation to Contributed Fund Operation Accounts, or to the Credit Unions Federation in relation to the Credit Unions Stabilization Fund under the previous provisions at the time of enforcement of this Act shall be deemed acts done to the Korea Deposit Insurance Corporation under this Act.

Article 3 (Transitional Measures on Contributions)

(1) Contributions which merchant banks and mutual savings and finance companies paid to the Korea Non-Bank Deposit Insurance Corporation on business authorization under [Article 5], and contributions which the Credit Unions Stabilization Fund received under Article 83-22 of the Credit Union Act before the enforcement of this Act shall be contributions made to the Deposit Insurance Fund under this Act.

(2) Contributions which insurers paid to the Insurance Guarantee Fund under Article 197-10 of the Insurance Business Act, contributions which merchant banks and mutual savings and finance companies paid to the Korea Non-Bank Deposit Insurance Corporation after the closing of each business year under Article 5 of the Korea Non-Bank Deposit Insurance Corporation Act, and contributions which Credit Unions paid to the Credit Unions Stabilization Fund under Article 83-22 of the Credit Union Act before the enforcement of this Act shall be deemed insurance premiums under this Act.

(3) Where the KDIC extends loans to the Securities Investors Protection Fund under the amendment to [Article 6] of the Addenda, the rights and duties of the Securities Investors Protection Fund over the loaned money shall be succeeded to by universal title by the KDIC on April 1, 1998.

Article 4 (Transitional Measures on Policy Committee Policy Committee Members and Officers of the Korea Deposit Insurance Corporation)

Members commissioned under [Article 9 - Subparagraph (1) 6] of the previous provisions and officers of the KDIC before the enforcement of this Act shall perform their duties until members or officers under this Act are commissioned or appointed.

Article 5 (Dispatch of Related Personnel)

(1) Where deemed necessary to prepare for the integration of the Securities Investors Protection Fund, the Insurance Guarantee Fund, contribution operation business accounts of the Credit Management Fund and the Credit Unions Stabilization Fund, the KDIC may receive a dispatch of related personnel in charge of the business

and have them carry out its necessary functions.

(2) The Korea Deposit Insurance Corporation shall prepare data on business, an inventory of property, and financial status of each Fund and report them to the Minister of the Ministry of Finance and Economy through a decision by the Policy Committee within one month after the enforcement of this Act.

Article 6 (Special Case for Operation of Funds Created through Bond Issue)

(1) Funds which the Korea Deposit Insurance Corporation raised through the issue of bonds under [Article 26-2] before March 31, 1998, may be extended as loans to the Securities Investors Protection Fund, the Insurance Guarantee Fund, the Credit Management Fund or the Credit Unions Stabilization Fund, notwithstanding the provisions of [Article 25].

(2) Funds raised under Paragraph (1) shall be deemed to have been issued at the relevant account of the Deposit Insurance Fund under [Article 24-3 - Paragraph (1)] after April 1, 1998.

(3) Notwithstanding the provisions of Article 31 of the Credit Management Fund Act, funds borrowed from the Korea Deposit Insurance Corporation shall be audited separately as special accounts.

Article 7 Omitted.

Article 8 (Support for Budget of the Korea Non-Bank Deposit Insurance Corporation)

The Korea Deposit Insurance Corporation may contribute to the Korea Non-Bank Deposit Insurance Corporation expenses required for the budget of the Credit Management Fund set under Article 4 - Paragraph (2) of the Addenda of the Act on the Establishment of Financial Supervisory Organizations until the Financial Supervisory Service is established after the enforcement of this Act.

ADDENDA <Act No. 5556, Sep. 16, 1998>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, that amendment to Subparagraph2 (d) of [Article 2] shall enter into force on October 1, 1998.

Article 2 (Application to Insurance Premiums)

The amendment to [Article 30 - Paragraph (1)] shall apply to the portion of insurance premiums for which obligation for payment is first created after the enforcement of this Act.

Article 3 (Application to the Ceiling on Insurance Premium)

The previous provisions of [Article 30 - Subparagraphs (1) 1 through 6] shall apply until August 31, 2003 with regard to the amendment to [Article 30 - Paragraph (1)], unless the ceiling on the ratio of the amount to be paid as an annual insurance premium by each insured financial institution to the balance of deposits is altered through a deliberation of the Regulatory Reform Committee.

Article 4 (Application to Calculation of Insurance Money)

(1) The amendment to [Article 32 - Paragraph (1)] shall apply to insurance money to be publicly announced to be paid pursuant to [Article 31 - Paragraph (3)] first after the enforcement of this Act.

(2) The amendment to [Article 32-2 - Paragraph (3)] shall apply to an estimate payment announced to be paid pursuant to [Article 35-5] first after the enforcement of this Act.

Article 5 (Transitional Measures on Notes Guaranteed by Merchant Banks)

Money raised through the notes guaranteed by merchant banks pursuant to the previous provisions at the time of enforcement of this Act shall be deemed deposits pursuant to the amendment to Subparagraph2 (d) of [Article 2].

Article 6 (Special Cases on Resolution Financial Institutions)

(1) Financial institutions established with authorization from the Minister of the Ministry of Finance and Economy pursuant to Article 3 - Paragraph (1) of the Merchant Bank Act in order to carry out the resolution business of failed financial institutions at the time of the enforcement of this Act (hereinafter referred to as "bridge financial institutions") shall be deemed Resolution Financial Institutions established upon approval by the Minister of the Ministry of Finance and Economy pursuant to the amendment to [Article 36-3].

(2) Authorizations, permissions or other acts conducted by bridge financial institutions and any registration, report or other acts made to bridge financial institutions before the enforcement of this Act shall be deemed acts conducted by or made to Resolution Financial Institutions.

(3) The registration and public announcement establishment of a bridge financial

institution at the time of the enforcement of this Act shall be deemed those of a Resolution Financial Institution pursuant to this Act.

ADDENDUM <Act No. 5702, Jan. 29, 1999>

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

ADDENDA <Act No. 6018, Sep. 7, 1999>

Article 1 (Enforcement Date)
This Act shall enter into force beginning on July 1, 2000. <Proviso Omitted>

Article 2 through 21 Omitted.
ADDENDA <Act No. 5702, Jan. 21, 2000>

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

Article 2 (Duration Period of the Regulation)
(1) The amended provision of [Article 30-2] shall be taken into effect on the date on which five years lapse from the enforcement date of this Act.
(2) The amended provisions of [Article 30-2], unless their valid term under the provisions of Paragraph (1) is extended after going through a request for a review under the provisions of [Article 8 - Paragraph (8)], or the Framework Act on Administrative Regulations or they are revised by the date on which Five years lapse from the date of enforcement of this Act, shall lose their effect.
(3) The amended provisions of [Article 30-2] shall apply to any person who has violated the amended provisions of Article 30-2 during a period for which such amended provisions have been effective in accordance with the provisions of Paragraph (1) even after such amended provisions lose their effect in accordance with the provisions of Paragraph (2).

ADDENDA <Act No. 6274, Oct. 23, 2000>

Article 1 (Enforcement Date)
This Act shall enter into force beginning one month after its promulgation.

Article 2 (Amendment of Other Acts)

(1) ~ (2) Omitted.

(3) The following amendments are made to the Depositor Protection Act.

1. The term "insured financial institutions" under [Article 21 - Paragraphs (1) through (4)] shall be amended to "insured financial institution and the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act."
2. The term "failing financial institution" under [Article 38-2 - Paragraphs (1) and (2)] shall be amended to "failing financial institution or the parent financial holding company of the insured financial institution pursuant to the Financial Holding Company Act

Articles 3 through 6 Omitted.

ADDENDUM <Act No. 6323, Dec. 30, 2000>

(1) (Enforcement Date): This Act shall enter into force beginning on January 1, 2001.

(2) (Interim Measures on Overdue Premiums): In respect of applying [Article 30 - Paragraph (5)], the premiums overdue as at the promulgation date of this Act shall be governed by the previously relevant regulations.

ADDENDUM <Act No. 6429, Mar. 28, 2001>

Article 1 (Enforcement Date)

This Act shall enter into force on the day designated by the Presidential Decree, which shall be within two years from the date of its promulgation.

Articles 2 through 9 Omitted.

Article 10 (Amendment of Other Acts)

(1) ~ (5) Omitted.

(6) The following amendments are made to the Depositor Protection Act.

1. [Article 2 – Paragraph 1, Subparagraph (m)] shall be amended to "Mutual savings banks under the Mutual Savings Bank Act."
2. The term "mutual savings and finance companies" under [Article 2 – Paragraph 2, Subparagraph (e)] shall be amended to "mutual savings banks."
3. The term "mutual savings and finance companies" under [Article 24 – Paragraph (4)], [Article 24-3 – Paragraph (2)], [Article 36-3 – Paragraph (5)],

and [Article 36-8 – Paragraph (1)] shall be amended to "mutual savings banks."

(7) ~ (11) Omitted.

Article 11 Omitted.

ENFORCEMENT DECREE OF THE DEPOSITOR PROTECTION ACT

Wholly Amended by Presidential Decree No. 15842, Jul. 25, 1998
Amended by:
Presidential Decree No. 15911, Oct. 10, 1998
Presidential Decree No. 16709, Feb. 14, 2000
(Enforcement Decree of the Act on Efficient Disposal of Non-Performing Assets of Financial Institutions and Establishment of Korea Asset Management Corporation)
Presidential Decree No. 16827, Jun. 7, 2000
Presidential Decree No. 16936, Aug. 5, 2000
Presidential Decree No. 16993, Oct. 31, 2000
Presidential Decree No. 17149, Mar. 17, 2001

Article 1 (Purpose)

The purpose of this Decree is to prescribe matters delegated by the Depositor Protection Act and matters necessary for the enforcement thereof.

Article 2 (Financial Institutions Precluded from the Scope of Insured Financial Institutions)

(1) The phrase "certain securities companies designated by the Presidential Decree" under [Article 2 – Subparagraph 2 (j)] of the Depositor Protection Act (hereinafter referred to as "the Act") refers to securities companies prescribed under each of the following Subparagraphs: <Inserted by Presidential Decree No. 17149, Mar. 17, 2001>

1. A securities company that establishes and operates an association mediation market pursuant to Article 2 – Paragraph (14) of the Securities and Exchange Act; and
2. A securities company that has obtained a license to operate such securities business pursuant to Article 14 – Paragraph (5) of the Securities and Exchange Act

(2) The phrase "insurance companies as determined by the Presidential Decree" refers to insurance companies which are corporations mainly engaging in reinsurance business. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

Article 3 (Scope of Deposits)

(1) The money which insured financial institutions prescribed in Subparagraph 1 of

[Article 2] of the Act (hereinafter referred to as "insured financial institutions") have raised from any of the following sources shall not be included in the scope of deposits prescribed in Subparagraph2 of [Article 2] (hereinafter referred to as "deposits"):

1. The government or local government;
2. The Bank of Korea, the Financial Supervisory Service established under the Act on the Establishment of Financial Supervisory Organization (hereinafter referred to as "the FSS"), or the Korea Deposit Insurance Corporation established under the Act (hereinafter referred to as "the KDIC"); and <Amended by Presidential Decree No. 17149, Mar. 17, 2001>
3. Other insured financial institutions.

(2) The money which insured financial institutions prescribed in Subparagraph 1 (a) through (i) of [Article 2] of the Act (hereinafter referred to as "Banks") have raised by any of the following methods shall not be included in the deposits prescribed in Subparagraph2 (a) of [Article 2] of the Act:

1. Deposits denominated in foreign currencies under the Foreign Exchange Management Act; <Amended by Presidential Decree No. 16936, Aug. 5, 2000>
2. Negotiable certificates of deposit (CD);
3. Development trust;
4. Issuance of bonds; and
5. Sale of bonds under repurchase agreements.

(3) The money which insured financial institutions prescribed in Paragraph 1 (j) of [Article 2] of the Act (hereinafter referred to as "Securities Companies") receive as deposits from their customers and which falls under any of the following Subparagraphs shall not be included in the deposits prescribed in Paragraph 2 (b) of [Article 2] of the Act (hereinafter in this paragraph referred to as "customer deposit money"):

1. The money in deposit for the payment of taxes incurred to customer deposit money;
2. The money raised by sale of bonds under repurchase agreements;
3. The money in deposit for the acquisition of or subscription for the purchase of securities which are publicly offered or distributed in the secondary market under the Securities and Exchange Act; and
4. Money deposited in securities finance company established under the Securities and Exchange Act (hereinafter referred to as "securities finance company") to guarantee the redemption of the face amount of the securities loaned to customer under the same Act.

(4) The insurance premiums which insured financial institutions prescribed in Paragraph 1 (k) of [Article 2] of the Act (hereinafter referred to as "insurance companies") have received and which fall under any of the following Subparagraphs shall not be included in the deposits prescribed in Paragraph 2 (c) of [Article 2] of the Act:

1. Insurance premiums received under insurance contracts (limited to contracts whose policyholders and insurance premium payers are corporations) other than retirement insurance contracts under the Labor Standards Act (hereinafter referred to as "retirement insurance");
2. Insurance premiums received under guarantee insurance contracts; and
3. Insurance premiums received under reinsurance contracts.

(5) and (6) Deleted. <by Presidential Decree No. 15911, Oct. 10, 1998>

Article 4 (Registration of Establishment)

(1) The establishment of the KDIC shall be registered at the location of its main office within two weeks from the date on which the Minister of the Ministry of Finance and Economy approved the Articles of Incorporation of the KDIC.

(2) The matters required in the registration of the KDIC shall be as follows:

1. Purpose;
2. Trade name;
3. Location of its main office;
4. Names and addresses of directors and statutory auditor; and
5. Methods of public notification.

Article 5 (Registration of Relocation)

(1) The KDIC shall, when it relocates its main office into the jurisdiction of another registry office, make a registration of relocation within two weeks at the old location, and the matters mentioned in each Subparagraph of [Article 4 - Paragraph (2)] within three weeks at the new location.

(2) The KDIC shall, when it relocates its main office within the jurisdiction of the same registry office, make a registration of relocation within two weeks thereafter only the purport of the move.

Article 6 (Registration of Change)

The KDIC shall, when there is a change in the matters prescribed in any Subparagraph of [Article 4 - Paragraph (2)], register the changed matters at the location of its main office within two weeks thereafter.

Article 7 (Registration of Appointment of Representatives)

(1) In case the president of the KDIC appoints a representative in accordance with [Article 15-2 - Paragraph (2)] of the Act, the following matters shall be registered at the location of its main office within two weeks thereafter. This provision shall also apply to the case of any change in registered matters. <Amended by Presidential Decree No. 16827, Jun. 7, 2000>

1. Name, resident registration number and address of the representative; <Amended by Presidential Decree No. 16827, Jun. 7, 2000>
2. Location and name of the main office for which the representative is appointed; and
3. In case the power of the representative is restricted, the contents of such restriction.

(2) The person who can be appointed by the president of the KDIC as a representative in accordance with [Article 15-2 (2)] of the Act shall be a person who has more than two years of court trial related work experience. <Inserted by Presidential Decree No. 16827, Jun. 7, 2000; Amended by Presidential Decree No. 17149, Mar. 17, 2001>

Article 8 (Calculation of Registration Period)

For the matters requiring an authorization and approval from the Minister of the Ministry of Finance and Economy among the matters to be registered by the KDIC pursuant to the provision of this decree, the registration period shall be counted from the date on which the documents on its authorization or approval have arrived.

Article 9 (Application for Registration)

(1) The registration of establishment pursuant to [Article 4] shall be made by joint application of the incorporators, the registration pursuant to [Articles 5 through 7] shall be made by the application of the president of the KDIC.

(2) To the application documents for registration pursuant to [Articles 4 through 7] the documents proving such causes shall be attached.

Article 10 (Operation of Policy Committee)

(1) Meetings of the Policy Committee prescribed in [Article 8] of the Act (hereinafter referred to as "the Committee") shall be convened by the chairman of the Committee in accordance with the provisions of the Articles of Incorporation. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

(2) The directors and statutory auditor of the KDIC may attend a meeting of the Committee and state their opinions. <Amended by Presidential Decree No. 17149,

Mar. 17, 2001>

(3) An allowance may be paid to the members attending a meeting of the Committee within the limit of the budget of the KDIC. However, this provision shall not apply to the cases where a public official attends a meeting which is directly related to his duties. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

(4) Matters necessary for the operation of the Committee other than matters prescribed in this Decree shall be determined by the chairman upon resolution of the Committee. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

Article 11 (Qualifications for Commissioned Members of Policy Committee)

Members commissioned by the Minister of the Ministry of Finance and Economy pursuant to [Article 9] of the Act shall be those who are not disqualified as directors or statutory auditor or employees of the KDIC pursuant to [Article 16] of the Act, and who have extensive knowledge and experience in finance, economics, or law.

Article 12 (Agencies)

(1) Acting agencies prescribed in [Article 20] of the Act (hereinafter referred to as "agencies") shall be as follows:

1. The Korea Asset Management Corporation established under the Act on the Efficient Disposal of Non-performing Assets of Financial Institutions and Establishment of Korea Asset Management Corporation;
2. Insured financial institutions;
3. The Mutual Savings and Finance Companies Federation established under the Mutual Savings and Finance Company Act (hereinafter referred to as "the Mutual Savings and Finance Companies Federation"); and
4. The Credit Unions Federation established under the Credit Union Act.

(2) The KDIC may, when it mandates part of its business pursuant to [Article 20] of the Act, pay fees to such agencies on such terms and conditions to be determined by the Committee. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

Article 12-2 (Scope of Major Shareholders)

The phrase "major shareholders as determined by the Presidential Decree" refers to persons under each of the following Subparagraphs:

1. A shareholder who owns more than 10/100 of total issued voting shares or investment shares of the debtor corporation by his own calculations, irrespective of the nominal ownership;
2. A shareholder who has practical influence over major operations issues of the

debtor corporation including regard to hire/fire rights of the corporation's officers and employees. [Article inserted by Presidential Decree No. 17149, Mar. 17, 2001]

Article 12-3 (Investigation Methods and Procedures)

(1) In order to perform investigations pursuant to [Article 21-2 – Paragraph 7] of the Act (hereinafter referred to as "the investigations"), the KDIC may cause its employees to investigate books and documents related to operational and financial status of insolvent financial institutions or default debtors of the insolvent financial institutions as and when deemed necessary.

(2) When performing the investigations, the KDIC shall first notify the subject entity of the investigation of the matters such as the reason and the scope of the investigations, except for the cases in which, the purpose of the investigations can not be achieved due to destruction of evidence led by pre-investigation notification.

(3) When performing the investigations, the KDIC shall provide adequate testimonial opportunity to the subject of the investigations.

(4) Upon completion of the investigation, the KDIC shall inform the subject of the investigation of the result of the investigation in writing. [Article inserted by Presidential Decree No. 17149, Mar. 17, 2001]

Article 12-4 (Public Institutions)

The phrase "public institutions that are selected by Presidential Decree" under [Article 21-3 – Paragraph 1] of the Act refers to institutions under each of the following Subparagraphs:

1. Government Invested Institution pursuant to Article 2 of the Fundamental Act Concerning the Management of Government Invested Institutions;
2. Legal entity established by special Acts; and
3. Bills Exchange designated by the Bills Act or the Checks Act <Inserted by Presidential Decree No. 16827, June 7, 2000>

Article 13 (Budget and Settlement of Accounts)

The budget of the KDIC shall be subject to approval by the Minister of the Ministry of Finance and Economy before the commencement of the fiscal year pursuant to [Article 23] of the Act, the settlement of accounts of the KDIC shall be subject to approval by the Minister of the Ministry of Finance and Economy within two months after the closing of the fiscal year.

Article 14 (Contributions)

(1) Pursuant to [Article 24 - Paragraph (4)] of the Act, an insured financial institution shall, when it obtains authorization or permission of business or establishment, pay the KDIC the amount calculated by multiplying its paid-in capital or capital contribution by the relevant rate by the type of insured financial institution mentioned in each of the following Subparagraphs as a contribution within one month from the date of commencing business:

1. Banks: 1/100;
2. Securities companies: 1/100;
3. Insurance companies: 1/100;
4. Merchant banks: 5/100;
5. Insured financial institutions mentioned in Paragraph 1 (m) of [Article 2] of the Act (hereinafter referred to as "Mutual Savings and Finance Companies"): 5/100; and
6. Insured financial institutions mentioned in Paragraph 1 (n) of [Article 2] of the Act (hereinafter referred to as "Credit Unions"); 1/100.

(2) In case the accumulated amount in the account of a type of insured financial institutions in the Deposit Insurance Fund established pursuant to [Article 24 - Paragraph (1)] of the Act (hereinafter referred to as "the DIF") falls short of the amount to be paid as insurance money to holders of deposits and other claims prescribed in the Paragraph 4 of [Article 2] of the Act (hereinafter referred to as "depositors"), the KDIC may have the insured financial institutions concerned in such type of insured financial institutions contribute additionally an amount approved by the Minister of the Ministry of Finance and Economy upon resolution of the Committee within the amount of shortfall within one month from the date on which the KDIC has decided to pay insurance money. In this case, additional contributions shall not exceed the limit of contributions prescribed in [Article 24 - Paragraph (4)] of the Act. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

(3) Notwithstanding Paragraph (1), an insured financial institution shall, when it obtains authorization or permission of business or establishment by a merger or partition, not pay the contribution to the KDIC.

(4) Notwithstanding Paragraphs (1) and (2), the KDIC may defer the payment of the contribution upon resolution of the Committee by specifying a period, for an insured financial institution whose normal operation is in such a difficult situation as depositors and other claims of the institution are likely to be suspended in light of a financial condition of that institution. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

Article 15 (Methods of Borrowing)

(1) The KDIC may borrow funds to be repaid by a type of insured financial institution through the account of that type of insured financial institution pursuant to [Article 26 - Paragraph (1)] of the Act.

(2) The KDIC shall, when it intends to borrow funds pursuant to Paragraph (1), prepare documents describing the matters in each of the following Subparagraphs, and obtain an approval from the Minister of the Ministry of Finance and Economy:

1. Reasons for borrowing;
2. Amount to be borrowed;
3. Interest rate on the loan, method and time of payment of interest; and
4. Method and period of redemption of the borrowed fund.

(3) The institutions from which the KDIC may borrow funds in accordance with [Article 26 - Paragraph (1)] of the Act are the following: <Amended by Presidential Decree No. 15911, Oct. 10, 1998; Presidential Decree No. 16827, Jun. 7, 2000>

1. The Korea Federation of Mutual Savings and Finance Companies;
2. Securities finance companies;
3. The Export and Import Bank of Korea established under the Export and Import Bank of Korea Act;
4. The National Credit Union Federation under the Credit Union Act;
5. Resolution Financial Institutions mentioned in [Article 36-3] of the Act; and
6. The Korea Asset Management Corporation pursuant to the Act on Efficient Disposal of Non-Performing Assets of Financial Institutions and Establishment of Korea Asset Management Corporation

Article 16 (Time for Payment of Insurance Premium)

(1) In accordance with [Article 30 - Paragraph (1)] of the Act, an insured financial institution shall pay to the KDIC an insurance premium calculated by the formula in Table 1 within three months after the closing of each fiscal year: However, banks shall pay insurance premiums within one month from the end of each quarter.

(2) An insured financial institution shall, when it fails to pay the insurance premium prescribed in Paragraph (1) by the time limit for payment, pay to the KDIC additional arrears calculated by multiplying the number of days past the payment deadline by interest rates set by the Committee based on overdue interest rates at the time of the loaning of general funds of such insured financial institution. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

(3) The phrase "an amount as determined by the Presidential Decree" in the first sentence of [Article 30 - Paragraph (1)] of the Act refers to the sum of each of the below classification amounts and arithmetic mean of the "insurance premiums" under [Article 2 - Subparagraph 2 (c)] (the insurance premiums earned during the fiscal period in which the premium for the deposit insurance is due). <Inserted by Presidential Decree No. 15911, Oct. 10, 1998 and Amended by Presidential Decree No. 16936, Aug. 5, 2000>

1. Contracts under which the cause of the payment of insurance money, etc. (meaning the amount or dividend agreed to be paid to a policyholder when a cause to pay insurance money occurs under an insurance contract or when a policyholder asks to cancel an insurance contract; hereinafter in this paragraph, the same shall apply) has not yet occurred as of the closing date each fiscal year: the accumulation of insurance premiums and prepaid insurance premiums to be paid at the cancellation or termination of the contract period of insurance, calculated to the specifications for calculating insurance premiums and underwriting reserves pursuant to [Article7 -Subparagraph (1) 1] of the Insurance Business Act by classification of insurance or by its lapse of contract term;
2. Contracts under which the cause of payment of insurance money has occurred as of the closing date each fiscal year:
   (a) The payment amount has been determined but not yet acted upon the decision;
   (b) An estimated insurance money not yet paid when the amount to be paid is not determined; and
   (c) A litigation value still pending in court in connection with an amount of insurance money to be paid.
3. An amount which is accumulated by an insurance company in order to pay dividends to policyholders and approved by the Financial Supervisory Commission.

Article 17 (Advance Payment)

(1) The KDIC may pay depositors in advance an amount as set by the Committee within the limit of insurance money to be paid pursuant to [Article 32 - Paragraph (2)] of the Act (hereinafter referred to as "advance payment") in accordance with [Article 31 - Paragraph (2)] of the Act. However, insurance money shall, when advance payment exceeds insurance money, etc, be the maximum amount for payment. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

(2) The KDIC shall publicly announce, at least once, the period and methods of payment pursuant to the main sentence of [Article 31 - Paragraph (3)] of the Act in not less than one daily newspaper published in Seoul Special Metropolitan City and not less than one daily newspaper published in the district in which its main office is located. However, in case the KDIC pays insurance money or advance payment to the depositors of mutual savings and finance companies and credit unions, it shall make a public announcement in not less than two daily newspapers including one daily newspaper published in the district in which their main offices are located.

Article 17-2 (Scope of Special Relationship)

The phrase "a person specially related to such insolvency related person according to the Presidential Decree" refers to a person who is related to an insolvency related person in the manners prescribed under each of the Subparagraphs of Article 10-3 – Paragraph 2 of the Enforcement Decree of the Securities and Exchange Act. <Inserted by Presidential Decree No. 17149, Mar. 17, 2001>

Article 18 (Exceptions to Calculating Methods of Insurance Money)

(1) In calculating the insurance money pursuant to [Article 32 - Paragraph (1)] of the Act, when depositors have offered deposits and other claims as collateral (hereinafter in this Article referred to as "deposits as collateral") or provide guarantees to such insured financial institutions for a third party, the KDIC may suspend the payment of insurance money within the amount equivalent to deposits as collateral or guarantee obligations until such secured claims or guarantee obligations are extinguished. <Amended by Presidential Decree No. 15911, Oct. 10, 1998>

(2) The KDIC, when it suspends the payment of insurance money pursuant to Paragraph (1) or [Article 32 - Paragraph (1)] of the Act, shall issue documents describing the following matters to depositors who have requested the payment of such insurance money. <Amended by Presidential Decree No. 15911, Oct. 10, 1998; Presidential Decree No. 17149, Mar. 17, 2001>

1. The amount of insurance money the payment of which is suspended;
2. The reason for the payment suspension;
3. The duration of the payment suspension; and
4. The procedures and methods for depositors in making request for suspended insurance money payment upon the nullification of the reason for the suspension or expiration of the suspension period.

(3) Notwithstanding [Article 32 - Paragraph (1)] of the Act, with regard to the

insurance money to be paid by the KDIC to the insured or the beneficiaries of a retirement insurance contract or retirement lump sum trust entered into by enterprises or organizations with workers as the insured or the beneficiaries in order to pay severance pay under the Labor Standards Act, the total amount of obligations owed by such insured or the beneficiaries to such insured financial institutions shall not be deducted from the total amount of deposits and other claims which the insured or beneficiaries have in the insured financial institutions as of the date of the public announcement of the payment of insurance money (hereinafter in this Article, referred to as "rate of payment announcement of insurance money") pursuant to [Article 31 - Paragraph (3)] of the Act. However, this provision shall not apply to the case where such insured financial institution has obtained a consent in writing from the workers concerned. <Amended by Presidential Decree No. 15911, Oct. 10, 1998>

(4) When the settlement of securities which have been traded by depositors before the date payment announcement through securities companies (including the settlement of stock index futures trade under the Securities and Exchange Act and the exercise of stock options under the Enforcement Decree of the Securities and Exchange Act) is made after the date of payment announcement of insurance money, such settlement amount shall be included in calculating the insurance money, which may be held by the time such amount is settled. <Amended by Presidential Decree No. 15911, Oct. 10, 1998>

(5) The amount of deposits and other claims, in calculating insurance money pursuant to [Article 32 - Paragraph (1)], shall be limited to the amount calculated by adding the amount of deposits to the amount calculated by multiplying that amount by the interest rate to be determined by the Committee, taking into account the average interest rate of one-year maturity time deposit in nationwide banks. However, this shall not apply to the insurance money (excluding insurance money paid upon termination of insurance period) among deposits and other claims against insurance companies. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

(6) The limit of the payment of insurance money pursuant to [Article 32 - Paragraph (2)] of the Act shall be fifty million won. <Amended by Presidential Decree No. 16993, Oct. 31, 2000>

Article 19 (Public Announcement of Occurrence of Insured Risk Event)

The [Article 17 - Paragraph (2)] shall apply mutatis mutandis to the estimate payment rate pursuant to [Article 35-5] of the Act. <Amended by Presidential Decree No. 16827, Jun. 7, 2000>

Article 19-2 (Purchasing Liability Insurance)

(1) The phrase "insured financial institution (applicable under the guidelines specified by the Presidential Decree)" under Article 35-9 – Paragraph (1) of the Act refers to insured institutions under each of the following Subparagraphs:

1. Insured financial institutions whose results of operation and financial status review by the Financial Supervisory Service established pursuant to the Act Concerning Establishment of Financial Supervisory Organizations meet the standard established by the Committee;
2. Insured financial institutions under Article 2 – Paragraph 2, Subparagraphs (b) and (c) of the Act; and
3. Insured financial institutions under Article 2 – Paragraph 2, Subparagraph (i) of the Act that already purchased a liability insurance policy that is similar in characteristics as the insurance policy prescribed under Article 35-9 – Paragraph (1) of the Act (hereinafter referred to as "liability insurance").

(2) When the KDIC requires an insured financial institution to purchase liability insurance pursuant to Article 35-9 – Paragraph (1) of the Act, the KDIC shall provide in writing the relevant items prescribed by the pertinent Decree of the Ministry of Finance and Economy, including the insurance benefit limit.

(3) When an insured financial institution has received such request from the KDIC to purchase liability insurance policy pursuant to Article 35-9 – Paragraph (1) of the Act, it shall purchase the said liability insurance policy within six months from the date of the request or within a period determined by the KDIC, but no more than two years from the date of the request, if purchasing such liability insurance policy within six months from the date of the request can harm normal operation of the insured financial institution or for any special reason acknowledged by the Committee. [Article inserted by Presidential Decree No. 17149, Mar. 17, 2001]

Article 20 (Request Criteria for Contract Transfers)

(1) When the liabilities of a failed financial institution mentioned in Paragraph 5 of [Article 2] of the Act (hereinafter in this Article, referred to as "failed financial institution") exceeds its assets, and any of the following Subparagraphs occurs, the KDIC may, in accordance with [Article 36-2] of the Act, request that the Financial Supervisory Commission take necessary measures such as an order of transfer of contacts or filling of petition of bankruptcy, and so on against the failed financial institution upon a resolution by the Committee. <Amended by Presidential Decree No. 17149, Mar. 17, 2001>

1. When depositors' interests are damaged or the fund's liabilities are increased

due to any delay in mergers or assumptions or assignment of business between insured financial institutions and failed financial institutions or assumptions of failed financial institutions by a third party (hereinafter referred to as "mergers of insolvent financial institutions") pursuant to [Article 36] of the Act; and

2. When depositors' interests are damaged or the fund's liabilities are increased due to extreme difficulty in mergers of failed financial institutions.

(2) The KDIC shall, when it establishes a Resolution Financial Institution to take over the business or contracts of failed financial institution (hereinafter referred to as "Resolution Financial Institution") pursuant to [Article 36-3] of the Act, request that the Financial Supervisory Commission order the transfer of the contracts of the failed financial institution pursuant to [Article 36-2 - Paragraph (1)] of the Act.

Article 21 (Supervision over Resolution Financial Institutions)

The KDIC may direct and supervise the business of Resolution Financial Institutions or take necessary measures against them pursuant to [Article 36-5 - Paragraph (4)] of the Act.

Article 22 (Registration of Establishment of Resolution Financial Institutions)

(1) The establishment of a Resolution Financial Institution shall be registered at the location of its main office within two weeks from the date of approval from the Minister of the Ministry of Finance and Economy.

(2) Matters to be registered for establishment by a Resolution Financial Institution shall be as follows:

1. Purpose;
2. Name;
3. Total amount of capital;
4. Total number of stocks to be issued;
5. Face value per stock;
6. Names and addresses of directors and statutory auditor;
7. Location of the main office and branches; and
8. Methods of public notification.

Article 23 (Registration of Relocation of Resolution Financial Institutions)

[Articles 5 through 8 and 17 - Paragraph (2)] shall apply mutatis mutandis to the registration of relocation, registration of change, registration of appointment of representatives, calculation of registration period, and announcement of establishment of Resolution Financial Institutions.

Article 24 (Applicants for Registration of Resolution Financial Institutions)

(1) A registration of establishment pursuant to [Article 22] shall be made by the application of the president of the KDIC, and a registration pursuant to [Article 23] shall be made by the application of the president of a Resolution Financial Institution.

(2) To the applications for registration pursuant to [Articles 22 and 23], the documents proving their causes shall be attached.

Article 24-2 Deleted. <by Presidential Decree No. 17149, Mar. 17, 2001>

Article 25 (Scope of Staff Subject to Legal Action of Public Officials in Application of Criminal Law)

The scope of the staff prescribed in [Article 42 - Paragraph (2)] of the Act shall be as follows:

1. Staff of the KDIC whose rank is assistant manager or higher;
2. Staff of the acting agency whose rank is assistant manager or higher who engages in the agency business prescribed in [Article 20 - Paragraph (1)] of the Act. However, this shall be limited only to the case where punishment under the Criminal Law is imposed in connection with such businesses.

Article 26 (Procedures for Imposition and Collection of Negligence Fines)

(1) The Minister of the Ministry of Finance and Economy shall, when imposing a negligence fine pursuant to [Article 44 - Paragraph (2)] of the Act, investigate and confirm the violated act concerned, and notify the person who is subject to the disposition of negligence fine, of the payment of such negligence fine by stating the violated fact, the amount of negligence fine, etc. in writing.

(2) The Minister of the Ministry of Finance and Economy shall, when it intends to impose a negligence fine pursuant to Paragraph (1), give in advance the person who is subject to the disposition of negligence fine, an opportunity to state orally or in writing his opinion, by fixing a period of ten (10) days or longer. In this case, if no opinion is stated for the fixed period, it shall be considered that there is no opinion to state.

(3) The Minister of the Ministry of Finance and Economy shall, in determining the amount of the negligence fine, take into consideration the motive and consequences of such violation, etc.

(4) Negligence fines shall be collected in accordance with the procedures in the manuals for tax collecting officials. In this case, the method and the period of

objection shall be stated in the payment notice.

ADDENDA <Presidential Decree No. 15842, Jul. 25, 1998>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. However, the amendments to [Article 3 - Subparagraph (4) 1] (limited to insurance premiums received under guarantee insurance contracts) and 2, [Article 18 - Paragraph (5)], and [Article 4] of the Addenda shall enter into force on August 1, 1998, the amendments to [Article 2] (excluding the portion for insurance companies who are corporations mainly engaged in reinsurance business) and [Article 3 - Paragraphs (1), (2) 1 through 4, (3) 3 and 4, and (4) 1] (excluding the portion relating to insurance premiums received under guarantee insurance contracts or reinsurance contracts among insurance contracts in which legal persons are policyholders and payers of insurance money) shall enter into force on January 1, 2001.

Article 2 (Special Application to Scope of Deposits)

As of enforcement of this Decree, the money falling under any of the following Subparagraphs shall be included in the scope of deposits from the enforcement date this Decree through December 31, 2000:

1. The money which banks raised by selling bonds under repurchase agreements pursuant to [Article 2] of the Addenda of the previous Amendment to the Enforcement Decree of the Depositor Protection Act (Presidential Decree No. 15525);
2. The money which securities companies raised by selling bonds under repurchase agreements; and
3. Insurance premiums which insurance companies engaged mainly in guarantee insurance business received under guarantee insurance contracts.

Article 3 (Special Applications for Payment of Insurance Premiums by Insurance Companies and Merchant Banks)

Notwithstanding the amendment to the main sentence of [Article 16 - Paragraph (1)], insurance companies and merchant banks shall pay insurance premiums to the KDIC that were to be paid in 1998 within two months after the enforcement of this Decree.

Article 4 (Special Applications on Calculating Methods of Insurance Money)

(1) Where an insured risk event mentioned in Paragraph 7 of [Article 2] of the Act

occurs during the period from August 1, 1998 though December 31, 2000, the amount of deposits and other claims (in calculating insurance money pursuant to [Article 32 - Paragraph (1)] of the Act) shall be calculated by the following Subparagraphs. However, this provision shall not apply to the insurance money (excluding insurance money to be paid due to the termination of insurance period) to be included in deposits and other claims against insurance companies.

1. In cases where the aggregate amount of deposits of respective depositors is twenty million won or less, it should be the amount of the deposits and other claims pursuant to the amendment to [Article 18 - Paragraph (5)]. However, in the case that such aggregate amount exceeds twenty million won, the limit should be twenty million won.
2. In cases where the aggregate amount of deposits of respective depositors exceeds twenty million won, it should be the entire balance of such deposits. However, in case the deposits (maturity benefit amount) and other claims (See [Article 2 (4)] of the Act.) are related to insurance companies and the sum of the two is smaller than the amount of deposits (sum of paid premiums) (See [Article 2 - Subparagraph 2 (c)] of the Act.), it should be the amount of the deposits and other claims.

   ** In general, the maturity benefit amount is less than the sum of premiums paid until maturity. Therefore, it is possible for "deposits and other claims1" to be smaller than "deposit" for insurance companies.**

(2) Paragraph (1) shall apply only to the money raised by insured financial institutions from depositors after August 1, 1998. However, with respect to the deposits to be deposited in installment after determining a certain period in which a predetermined amount is regularly deposited, this shall apply to those first subscribed after the enforcement of this Decree.

Article 5 (Special Applications for limit of Insurance Money to be paid)

(1) Notwithstanding the amendment to [Article 18 - Paragraph (6)], the limit of insurance money to be paid by the KDIC to depositors who have deposits and other claims against insurance companies at the time of the enforcement of this Decree shall be fifty million won.

(2) In case an insured risk event prescribed in Paragraph 7 of [Article 2] of the Act occurs during the period from the date of promulgation of this Decree through December 31, 2000, the amendments to Paragraph (1) and [Article 18 - Paragraph (6)] shall not apply to the limit of payment of insurance money.

Article 6 (Interim Measures on Insurance Premiums)

(1) In calculating banks' insurance premiums for the quarter in which this Decree is promulgated, the portion prior to the date of its promulgation shall be calculated by daily pro-rata pursuant to the previous [Article 14 - Paragraph (1)] and the portion starting from the date of its promulgation of this Decree shall be calculated by daily pro-rata pursuant to the amendments to [Article 16 - Paragraph (1)].

(2) In calculating insurance premiums of securities companies, insurance companies and merchant banks for the fiscal year in which this Decree is promulgated, the portion from April 1, 1998 to the date prior to the date of its promulgation shall be calculated by daily pro-rata according to the formula prescribed in Table 2, and the portion from the date of its promulgation to March 31, 1999 shall be calculated by daily pro-rata pursuant to the amendments to [Article 16 - Paragraph (1)].

(3) In calculating insurance premiums to be paid by mutual savings and finance companies in 1998, the portion from July 1, 1997 to March 31, 1998 shall be calculated by daily pro-rata pursuant to Article 5 - Paragraph (2) of the Korea Non-Bank Deposit Insurance Corporation Act prior to its repeal pursuant to Article 2 of the Addenda of Amendment to the Mutual Savings and Finance Company Act (Act No. 5501), and the portion from April 1, 1998 to June 3, 1998 shall be calculated by daily pro-rata according to the formula prescribed in Table 2.

(4) In calculating insurance premiums of mutual savings and finance companies for the fiscal year in which this Decree is promulgated, the portion from July 1, 1998 to the date prior to the date of its promulgation shall be calculated by daily pro-rata according to the formula prescribed in Table 2, and the portion from the date of its promulgation to June 30, 1998 shall be calculated by daily pro-rata pursuant to the amendment to [Article 16 - Paragraph (1)].

(5) In calculating insurance premiums of credit unions for the year 1998, the portion to March 31, 1998 shall be calculated by daily pro-rata pursuant to Article 83-22 of the Credit Union Act prior its amendment pursuant to Amendment to the Credit Union Act (Act No. 5506), the portion from April 1 to the date prior to the promulgation of this Decree shall be calculated by daily pro-rata according to the formula prescribed in Table 2, the portion from the date of promulgation of this Decree shall be calculated by daily pro-rata pursuant to the amendment to [Article 16 - Paragraph (1)] and insurance premiums for 1998 to be paid by credit unions to the former Credit Union Stabilization Fund pursuant to Article 83-22 of the same Credit Union Act shall be deducted.

ADDENDUM <Presidential Decree No. 15911, Oct. 10, 1998>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 16709, Feb. 14, 2000>

Article 1 (Enforcement Date)
This Decree shall enter into force on the date of its promulgation

Article 2 (Amendment of Other Acts)
(1) ~ (15) Omitted.
(16) The Enforcement Decree of the Act shall be amended as the following. (Details Omitted)

ADDENDUM <Presidential Decree No. 16827, Jun. 7, 2000>

This Decree shall enter into force on the date of its promulgation.

ADDENDUM <Presidential Decree No. 16936, Aug. 5, 2000>

(1) (Enforcement Date): This Decree shall enter into force on the date of its promulgation.
(2) (Interim Measures on Premium Calculation): In respect of calculating the "insurance premiums" under Article 16 - Paragraph (1) of the Decree, the premium due before the effective date of this Decree shall be calculated in accordance with the pre-amendment Article 16 - Paragraph (3) and the pre-amendment Table 1, and the premium due after the effective date of this Decree shall be calculated in accordance with the amended Article 16 - Paragraph (3) and Table 1.

ADDENDA <Presidential Decree No. 16993, Oct. 31, 2000>

Article 1 (Enforcement Date)
This Decree shall enter into force beginning on January 1, 2001.

Article 2 (Special Cases for Payment Limit of Insurance Claim Payments)
(1) If an insured risk event occurs pursuant to [Article 2 - Paragraph (7)] of the Act occurs in respect to an insured financial institution between the effective date of

ACT ON EFFICIENT DISPOSAL OF NONPERFORMING ASSETS OF FINANCIAL INSTITUTIONS AND ESTABLISHMENT OF KOREA ASSET MANAGEMENT CORPORATION

Promulgated by Law No. 5371 on August 22, 1997
Amended by Law No. 5505 on January 13, 1998
Amdeded by Law No. 5978 on April 30, 1999
Amended by Law No.6073 on December 31, 1999
Amended by Law No.6561 on December 31, 2001
Amended by Law No.6627 on January 26, 2002

CHAPTER I.
GENERAL PROVISIONS

§1. Purpose

The purpose of this Act is to prescribe the matters necessary for promoting the efficient disposal of nonperforming assets held by financial institutions and for supporting the effort for management normalization of the enterprises which show signs of insolvency; and to contribute to the development of the financial industry and the national economy through improving the liquidity and soundness of financial institutions by means of creating the Nonperforming Claim Resolution Fund and by establishing the Korea Asset Management Corporation (hereinafter referred to as "the KAMCO") which are to carry out and support relevant services.(Amended on December 31, 1999)

§2. Definitions

Terms used in this Act shall be defined as follows:

1.The term "financial institutions" refers to those falling under one of the following items:

a.Banking institutions which obtain authorization pursuant to [§ 8(1)] of the Banking Act; (Amended on January 13, 1998)

b.The Korea Development Bank established under the Korea Development Bank Act;

c.The Industrial Bank of Korea established under the Industrial Bank of Korea Act;

d.Long-term credit banks under the Long-Term Credit Bank Act;

e.The Export-Import Bank of Korea established under the Export-Import Bank of Korea Act;

f.The National Agricultural Cooperative Federation under the Agricultural

Cooperatives Act;

g.The National Federation of Fisheries Cooperatives under the Fisheries Cooperatives Act;

h.[Deleted on December 31, 2001]

i.Institutions prescribed in the PD from among those conducting financing services under other laws.

2. The term "nonperforming claim" refers to those falling under one of the following items from among the claims which arise from credit transactions of financial institutions and are prescribed in the PD, such as principal and interest of loans, payment guarantees, and other claims equivalent thereto.(Amended on December 31, 1999)

   a.Claim whose repayment has not been made according to the original terms due to the reasons of dishonor, etc. and which requires recovery measures or administration;

   b.Claim which is regarded as nonperforming claim by the Management Committee mentioned in [§ 14] from among those which have caused or are likely to cause a considerable risk in recovery in view of the management results, financial status, and future cash flow of a debtor.

3. The term "enterprise showing signs of insolvency" refers to the enterprise which the financial institutions or organizations consisting thereof (hereinafter referred to as "financial institutions, etc.") judge, from among their clients, to have faced managerial difficulties or to likely be insolvent due to its mismanagement;

4. The term "non-operational assets" refers to the assets falling under one of the following items:

   a.Assets acquired by financial institutions in order to recover their nonperforming claims; or

   b.Assets that financial institutions intend to sell for improving the soundness of their financial structure and normalizing their management, which are to be prescribed in the PD; and(Inserted on April 30, 1999)

   c.Non-operational assets prescribed in the Corporate Income Tax Act, Local Tax Act, or other statutes.

5. The term "self-rescue plan" refers to the plan, which an enterprise showing signs of insolvency formulates, in consultation with financial institutions, etc., in order to dispose of the assets including its real estate, securities, etc. or affiliates (hereinafter referred to as "assets subject to self-rescue plan") for management normalization;

5-2. The term "affiliate" refers to a company which belongs to a business group in case a single stockholder of such company controls such business group which has been designated under the Act on Monopoly Regulation and Fair Trade; (Inserted on April 30, 1999)

6. The term "assumption" means that the KAMCO acquires the assets of financial institutions or enterprises with its own funds or at the expense of the Nonperforming Claim Resolution Fund.(Amended on December 31, 1999)

CHAPTER II.
EFFICIENT RESOLUTION
OF NONPERFORMING ASSETS

§3. Management of Nonperforming Assets by Financial Institutions

(1) Financial institutions shall make efforts to prevent nonperforming claims by strengthening ex post facto administration of their credits.

(2) Financial institutions shall make efforts to upgrade their managerial soundness by accelerating the resolution of their nonperforming claims and non-operational assets (hereinafter referred to as "nonperforming assets").

§ 4. Acceptance of Entrustment, Assumption, etc. for Resolution of Nonperforming Assets

(Amended on December 31, 1999)

(1) A financial institution may, in order to promptly resolve its nonperforming assets, entrust the KAMCO with the resolution thereof (referring to the recovery or collection of claims, or sale of properties, and the same hereinafter), or request the KAMCO to assume them.

(2) The KAMCO shall, when it is entrusted with the resolution of the nonperforming assets or requested to assume them from a financial institution pursuant to Para.(1), make efforts in order to promptly resolve them.

(3) Matters necessary for the acceptance of entrustment and assumption by the KAMCO including the methods or procedures thereof, the priority and criteria, etc. of assumption shall be prescribed in the PD.

§ 5. Support for Normalization of Enterprises Showing Signs of Insolvency(Amended on December 31, 1999)

(1) Financial institutions, etc. may request the KAMCO to support the self-rescue plan of an enterprise showing signs of insolvency.

(2) The KAMCO may, when it is requested to support the self-rescue plan of an enterprise showing signs of insolvency from a financial institution, etc. pursuant to Para.(1), accept the entrustment of sale of the assets subject to self-rescue plan or assumes them for resolution in case such enterprise entrusts it with sale of such assets or requests it to assume them.

(3) The KAMCO may, when a financial institution, etc. requests it to support a self-rescue plan pursuant to Para.(1), conduct a management diagnosis or provide consulting services to support normalization of the enterprise showing signs of insolvency.

(4) Necessary matters for the acceptance of entrustment and assumption by the KAMCO including the methods or procedures thereof pursuant to Para.(2) shall be prescribed in the PD.

(5) The KAMCO shall, when it resolves the assets subject to self-rescue plan by accepting the entrustment of sale of such assets or assumes them pursuant to Para.(2), have the prices be paid first for the payment of the debts which the enterprises showing signs of insolvency owe to the financial institutions, etc.

CHAPTER III.
KOREA ASSET MANAGEMENT CORPORATION

SECTION 1. COMMON PROVISIONS

§6. Establishment

The KAMCO shall be established in order to accelerate the resolution of nonperforming assets held by financial institutions, and to efficiently support the management normalization, etc. of the enterprises showing signs of insolvency. (Amended on December 31, 1999)

§7. Legal Status

The KAMCO shall be a corporation.

§8. Offices

(1) The location of the main office of the KAMCO shall be determined in the AI.

(2) The KAMCO may, when necessary for performing its services, have branch offices or business offices at appropriate places pursuant to the provisions of its AI.

§9. Capital

(1) The capital of the KAMCO shall be one (1) trillion won. (Amended on April 30, 1999)

(2) The capital of the KAMCO shall be invested by financial institutions.

(3) The Government may, when it is deemed necessary to support the performance of the KAMCO's services, make a capital investment in the KAMCO or support necessary expenses. (Amended on April 30, 1999)

(4) The amount of capital investment by financial institutions pursuant to Para.(2) shall be determined in consideration of the size of total assets or paid-in capital of each financial institution, etc. and the matters relating to the payment of capital investment including calculation method, timing and payment method, etc. thereof shall be prescribed in the PD.

§10. Shares

The capital of the KAMCO shall be divided into shares.

§11. Articles of Incorporation

(1) The AI of the KAMCO shall contain the matters falling under each of the following items:

1. Purpose;
2. Denomination;
3. Matters relating to the main office, branches, and business offices;
4. Matters relating to capital and shares;

5. Matters relating to management committee and board of directors;
6. Matters relating to officers and employees;
7. Matters relating to services and execution thereof;
8. Matters relating to the Nonperforming Claim Resolution Fund;
9. Matters relating to the Nonperforming Claim Resolution Fund Bonds, and the issuance of debentures;
10. Matters relating to accounting;
11. Matters relating to public announcement;
12. Matters relating to amendments to the AI; and
13. Other matters to be prescribed in the PD.

(2) The KAMCO shall, when it intends to amend its AI, obtain authorization from the FSC, with resolution of its management committee pursuant to [§ 14].(Amended on January 13, 1998)

§12. Registration

(1) The KAMCO shall be duly established upon completion of registration at the location of its main office.

(2) The information required in the registration of establishment pursuant to Para.(1) shall be the following items:

1. Purpose;
2. Denomination;
3. Location of the main office;
4. Capital;
5. Names and addresses of officers; and
6. Methods of public announcement.

(3) Matters necessary for the registration other than those provided in this Act shall be prescribed in the PD.

§13. Prohibition of Use of Similar Denominations

No entity other than the KAMCO shall use as its denomination, "the Korea Asset Management Corporation" or other term similar thereto.

SECTION 2. MANAGEMENT COMMITTEE

§14. Establishment of Management Committee

(1) The Management Committee (hereinafter referred to as "the Committee") shall be established in the KAMCO.

(2) The Committee shall deliberate and make resolutions on the matters falling under each of the following items:

1. Formulation and amendments of the basic operational policy and service plan of the KAMCO;
2. Amendments of the AI;
3. Formulation and amendments of the service manual;
4. Drawing-up and amendments of the budget, and the account settlement;
5. Formulation and amendments of the operational plan of the Nonperforming

Claim Resolution Fund;

6. Annual ceiling on the issuance of Nonperforming Claim Resolution Fund Bonds and debentures;
7. Assumption of nonperforming assets, and real estate and securities held by enterprises showing signs of insolvency (limited to those exceeding the size prescribed in the PD);
8. Assumption of the affiliates held by enterprises showing signs of insolvency;
8-2. Matters on the services prescribed in [§ 26(1)1-3 & 10-2]; and (Inserted on April 30, 1999)
9. Other matters to be provided in the AI from among those relating to the operation of the KAMCO and the Nonperforming Claim Resolution Fund.

(3) For the matters, which fall under the Item 8-2 of the Para.2, on which prompt measures are needed for efficient disposal of nonperforming assets, and the same measures are expected to be taken repeatedly, the Committee may predetermine the specific scope thereof through its resolution, and have the board of directors execute them.(Inserted on December 31, 1999)

§15. Composition of Committee

(1) The Committee shall be composed of eleven members falling under the following items:

(Amended on December 31, 1999)

1. The Managing Director of the KAMCO;
2. A person designated by the MOFE from among the first class officials of the Ministry of Finance and Economy who carry out the duties and functions related to financing; (Amended on April 30, 1999)
2-2. A person designated by the Minister of Planning and Budgeting from among the first class officials of the Ministry of Planning and Budgeting; (Inserted on December 31, 1999)
3. A person designated by the FSC from among the executive officers of the FSS;(Amended on April 30, 1999)
4. An officer designated by the Managing Director of the Korea Deposit Insurance Corporation;
5. The Deputy Governor of the Korea Development Bank;
6. Two (2) persons recommended by the Chairman of the Korea Federation of Banks which has been established with permission from the MOFE pursuant to [§ 32] of CICO, from among the deputy heads of the Korea Federation of Banks and its member banks;(Amended on April 30, 1999)
7. [Deleted on April 30, 1999]
8. One (1) person respectively commissioned by the FSC with recommendation of the Managing Director of the KAMCO, from among those having vast experiences and knowledge in financial industry and business management, and falling under the following subitems:(Amended on January 13, 1998)
   a. An attorney-at-law;
   b. A CPA or a certified tax accountant; and
   c. A university professor or a doctorate holder who belongs to a research institute.

(2) Qualifications of the members mentioned in Para.(1)8 shall be prescribed in the

PD.

(3) The term of office of the members mentioned in Para.(1)8 shall be three (3) years.

(4) [§ 20] shall apply *mutatis mutandis* to the status guarantee of the members mentioned in Para(1)8.

§16. Operation of Committee

(1) The Managing Director of the KAMCO shall be the Chairman of the Committee.

(2) The Chairman shall represent the Committee and exercise general control over the affairs of the Committee.

(3) When the Chairman is unable to perform his duties and functions due to unavoidable reasons, the members mentioned in § 15(1)2 through 6 shall act for him in the order provided in the provisions.

(4) The Chairman shall call meetings of the Committee in accordance with the AI, and preside over the meetings.

(5) The resolutions of a Committee meeting shall be adopted by the attendance of a majority of all members and by the concurrence of a simple majority of those present.

(6) Matters necessary for the operation of the Committee other than those prov)ded in this Act shall be prescribed in the PD.

SECTION 3. OFFICERS AND EMPLOYEES

§17. Officers

(1) The KAMCO shall have as its executive officers one (1) managing director, one (1) vice managing director, five (5) or fewer directors, and one statutory auditor.

(2) The Managing Director shall be elected at a stockholders' meeting and subject to approval from the FSC. (Amended on January 13, 1998)

(3) The Vice Managing Director and Directors, with the recommendation of the Managing Director, shall be elected at a stockholders's meeting.

(4) The Statutory Auditor shall be appointed and discharged by the FSC. (Amended on January 13, 1998)

(5) The term of office of the officers shall be three (3) years. This shall apply *mutatis mutandis* to the terms of newly elected or appointed officers due to vacancy of officer.

§18. Duties of Officers

(1) The Managing Director shall represent the KAMCO and exercise general

control over the business thereof.

(2) The Vice Managing Director shall assist the Managing Director and act for the Managing Director when the Managing Director is unable to perform his duties due to unavoidable reasons.

(3) Directors shall assist the Managing Director and Vice Managing Director and undertake their respective duties in such manner as prescribed in the AI, and when both the Managing Director and Vice Managing Director are unable to perform their duties due to unavoidable reasons, they shall act for them in the order provided in the AI.

(4) The Statutory Auditor shall audit the business affairs and accounts of the KAMCO.

§19. Disqualification of Officers

No person falling under each of the following items may be an officer of the KAMCO:

1. A person who is not a Korean national; and
2. A person falling under one of the items of § 33 of the National Public Officials Act.

§20. Guarantee of Officer's Status

No officer shall be discharged from his office against his own will during his term of office unless he falls under one of the following Items:

1. When he falls under any item of § 19;
2. When he violates this Act, the orders thereunder, or the AI; or
3. When he is unable to perform his duties on account of mental and physical disability.

§21. Restriction on Power of Representation of Managing Director, etc.

The Managing Director, or the Vice Managing Director or the Director who acts for the Managing Director pursuant to [§ 18(2)(3)] shall not represent the KAMCO in the cases where his interests conflict with those of the KAMCO. In such cases, the Statutory Auditor shall represent the KAMCO.

§22. Board of Directors

(1) The board of directors shall be established in the KAMCO in order to make resolutions on the matters that should be referred to the Committee and other important matters concerning the duties of the KAMCO.

(2) The board of directors shall consist of the Managing Director, the Vice Managing Director, and Directors.

(3) The Managing Director shall call a meeting of the board of directors, and preside over it.

(4) The resolution of a board of directors meeting shall be adopted by the attendance of a majority of all members and by the concurrence of a simple majority of

those present.

(5) The Statutory Auditor may attend a meeting of the board of directors and present his views.

§23. Exercise of Rights and Appointment of Representatives

An officer or employee designated by the Managing Director may conduct all judicial or extra-judicial actions pertaining to the business of the KAMCO.

§24. Appointment or Discharge of Employees

The Managing Director shall appoint and discharge employees of the KAMCO.

§25. Prohibition of Concurrent Holding of Offices

(1) No officer or employee shall not concurrently engage in any business other than his office, for profit-making.

(2) Any officer shall not concurrently hold other offices without approval from the FSC, and any employee shall not concurrently hold other offices without approval from the Managing Director.(Amended on January 13, 1998)

(3) The Committee members, the officers or employees of the KAMCO, or the persons who had been in such positions shall not reveal the classified information obtained in the course of performing their duties.

(4) No officer or employee shall acquire the properties that are related to the execution of the business of the KAMCO in accordance with the AI.

SECTION 4. SERVICES

§26. Services

(1) The KAMCO shall perform the services falling under each of the following items:

1. Accepting the entrustment of preservation and collection (including provisional attachment, provisional disposition, and all acts relating to court auction or litigation under the Civil Procedure Code and the Civil Execution Code, and the same hereinafter) of nonperforming claims, and assumption and resolution thereof;(Amended on April 30, 1999)

1-2.Managing the securitization assets entrusted pursuant to [§ 10(1)] of the Act on Asset Securitization; (Inserted on April 30, 1999)

1-3.Performing the services falling under the following subitems for the efficient disposal of nonperforming assets: (Inserted on April 30, 1999)

a.Purchase of nonperforming claims from the Nonperforming Claim Resolution Fund, and assumption of shares (including investment certificates) arising from conversion of nonperforming claims into capital investment;

b.Underwriting of bonds or securities issued by a Special Purpose Company mentioned in [§ 3(1)] of the Act on Asset Securitization;

c.Loan of money to a corporation, whose shares (including investment certificates)

have been acquired pursuant to the provisions of the above subitem a or to which a capital investment has been made pursuant to the provisions of the Item 10-2 (hereinafter referred to as "invested corporation"), and provision of payment guarantees within the limit to be prescribed in the PD, not exceeding 500/100 of the sum of paid- in capital, legal reserve, and reserve for business expansion of the KAMCO; and(Amended on December 31, 1999)

d.Financial support including the sale on a deferred payment basis to purchasers of the assets (including collateral) assumed by the KAMCO and loan of funds required for the efficient resolution of nonperforming assets such as management normalization for debtors of nonperforming claims, preservation and increase of collateral value and administration thereof, and provision of payment guarantees (excluding the payment guarantees for the repayment of principal borrowed and its interest) within the limit on payment guarantees mentioned in above Subitem c. (Amended on December 31, 1999)

2. Preservation and collection of nonperforming claims, and investigation of properties belonging to the persons related to the liabilities;
3. Accepting the entrustment of management and sale of the assets subject to the self-rescue plan of an enterprise showing signs of insolvency, and the assumption and resolution thereof; (Amended on April 30, 1999)
4. Management diagnosis of an enterprise showing signs of insolvency, and consultation to support its normalization;
5. Management and sale of the non-operational assets as well as the assets of corporations and their affiliates intending to reorganize their structure or to improve their financial structure by way of merger, conversion, and resolution (hereinafter referred to as "restructuring company"), and brokerage of sale of such assets, and assumption and resolution thereof for raising the soundness of a financial institution; (Amended on April 30, 1999)
6. Management and administration of the Nonperforming Claim Resolution Fund;
7. Sale of attached properties whose sale is entrusted to the KAMCO by governmental agencies according to the statutes, ex post facto control such as distribution of sale proceeds and so on, and purchase of related properties (including restricted real rights such as mortgage rights, and the same hereinafter) for the preservation, increase, etc. of such properties and development thereof; (Amended on April 30, 1999)
8. Management and disposal of the properties which governmental agencies entrust to the KAMCO according to the statutes, the preservation and collection of claims, and purchase of related properties for the preservation, increase, etc. of the value of such properties and development thereof; (Amended on April 30, 1999)
9. Liquidation of the company, more than a half of the stock or equity of which are possessed by the State in accordance with the National Properties Act;
10. Purchase and development of the properties which are related to the performance of services mentioned in Items 1 through 3 and 5; (Amended on April 30, 1999)

10-2. Capital investments and other investments related to the performance of services of the KAMCO; (Inserted on April 30, 1999)

11. Real estate security in trust among the trust businesses under the Trust Business Act, and management and disposal trust business of real estate for restructuring enterprises; and

(Amended on April 30, 1999)

12.Services incidental to those falling under Items 1 through 11, to be prescribed in the PD.

(2) The KAMCO shall be deemed to have obtained authorization of the trust business under the Trust Business Act in conducting the services mentioned in Para.(1)11.

(3) The KAMCO shall be deemed to have obtained authorization of the credit information business pursuant to [§ 4] of the Act on Utilization and Protection of Credit Information in conducting the services concerning the collection of claims mentioned in Para.(1)1, 1-2, 2 and 8. (Amended on April 30, 1999)

(4) The KAMCO may charge fees and expenses with regard to the performance of services mentioned in Para.(1)1 through 6, and 12 in such manner as determined by the Committee, and it may charge them with regard to the performance of services mentioned in Para.(1)7 through 9 and 11 in such manner as provided in the relevant statutes.

(5) Necessary matters relating to the scope, criteria, etc. of the real estate for development mentioned in Para.(1)10 shall be prescribed in the PD.

(6) The KAMCO shall prepare a service manual for the performance of the services mentioned in Para.(1), and fix it with resolution of the Committee. This provision shall also apply to the cases of the amendments thereto.

§27. Promotion of Disposition of Real Estate

(1) The KAMCO may, when it is difficult to sell the real estate acquired in relation to the performance of the services mentioned in § 26(1)1 through 3, 5, 7 and 8 due to administrative restrictions or limitation in use, take measures necessary for the preservation or increase of utility values, and it may purchase the real estate adjoining thereto together when it is necessary to preserve or to increase utility values thereof.

(2) Necessary matters relating to the scope, criteria on the adjoining real estate mentioned in Para.(1), purchase procedures, etc. thereof shall be prescribed in the PD.

§28. Lease, Operation, etc. of Movables, Real Estate, and Affiliates

(1) The KAMCO may lease acquired movables, real estate, and affiliates of an enterprise showing signs of insolvency until they are sold off.

(2) The KAMCO may, when necessary for conducting its services, participate in the management of the enterprises stipulated in the following Paras., or send its staff members to work therefor: (Amended on December 31, 1999)

1. Invested corporations;
2. Corporations to which the KAMCO has extended loans or provided payment guarantees pursuant to [§ 26(1)1-3d]; or
3. Affiliates of the enterprises showing signs of insolvency, which has been

assumed by the KAMCO.

SECTION 5. FINANCE AND ACCOUNTING

§29. Fiscal Year

The fiscal year of the KAMCO shall be the same as that of the Government.

§30. Service Plan, Budget, and Closing Accounts

(1) The service plan and budget of the KAMCO shall be finalized with resolution of the Committee before the commencement of each fiscal year.

(2) The closing statement of the KAMCO shall be approved, with resolution of the Committee, at a stockholders' meeting within two (2) months after the termination of each fiscal year.

(3) The service plan, budget, and closing statement mentioned in Paras.(1) and (2) shall be submitted to the FSC, without delay, after the resolution of the Committee or the approval at a stockholders' meeting.

§31. Revenue and Expenditure

(1) The revenue of the KAMCO shall be the fees and sales margin in performing the services, and the income arising from operation, etc. of surplus funds.

(2) The expenditure of the KAMCO shall be the administrative costs and other expenses necessary for performing the services thereof.

§32. Appropriation of Loss and Profit

(1) The KAMCO shall, when it makes profits as a result of closing its accounts each fiscal year, appropriate them in the following order:

1. Making up of carried-over losses;
2. Accumulation of 20/100 or more of the profits in legal reserve until such legal reserve amounts to the capital mentioned in § 9(1);
3. Accumulation in business expansion reserve; and
4. Dividends to stockholders.

(2) The KAMCO shall, when it makes losses as a result of closing its accounts each fiscal year, make up them with the reserve for business expansion mentioned in Para.(1)3; if not sufficient, with the legal reserve mentioned in Para.(1)2; and, the insufficient amount shall be carried forward to the following fiscal year.

(3) The legal reserve and the reserve for business expansion mentioned in Para.(1)2 and 3 may, with resolution of the Committee, may be transferred to the capital or the Nonperforming Claim Resolution Fund.

§33. Issuance of Debentures

(1) The KAMCO may, with resolution of the Committee, issue debentures.

(2) The outstanding amount of debentures shall not exceed ten (10) times the

aggregate of paid-in capital, legal reserve, and business expansion reserve of the KAMCO.

(3) The Government may guarantee the repayment of principal and interest of the debentures issued by the KAMCO. In this case, the issuing amount of the guaranteed debentures shall not be included in the ceiling mentioned in Para.(2).

(4) The extinctive prescription of the debentures shall be five (5) years for principal, and two (2) years for interest.

§34. Borrowing of Funds

The KAMCO may borrow funds necessary for performing its services from domestic and international financial institutions and other sources.

§35. Operation of Surplus Funds

The KAMCO may operate its surplus funds arising in the course of performing its services by the methods falling under one of the following items:

1. Deposit with financial institutions;
2. Purchase of Government or local government bonds, or securities whose payment is guaranteed by the Government or financial institutions; and
3. Other methods determined by the Committee.

§36. Request for Submission of Materials

The KAMCO may, when deemed necessary for performing its services, request the competent administrative agency, interested persons, etc. to submit relevant materials.

§37. Relation with Other Laws

(1) The provisions on stock corporations in COCO shall apply *mutatis mutandis* to the KAMCO, unless otherwise provided in this Act.

(2) The debentures mentioned in [§ 33] shall be deemed those prescribed in [§ 2(1)3] of the Securities and Exchange Act.

CHAPTER IV.
NONPERFORMING CLAIM RESOLUTION FUND

§38. Establishment of Nonperforming Claim Resolution Fund

The Nonperforming Claim Resolution Fund (hereinafter referred to as "the Fund") shall be established in the KAMCO in order to efficiently resolve Nonperforming claims, etc. held by financial institutions.

§39. Creation of Fund

(1) The Fund shall be created from the financial sources falling under one of the following items:

(Amended on January 13, 1998)

1. Contribution by financial institutions;
2. Funds transferred from the KAMCO;
3. Contribution by the Government; (Inserted on January 13, 1998)
4. Funds raised from the issuance of the Nonperforming Claim Resolution Fund Bonds;
5. Borrowings from the Bank of Korea;
6. Borrowings from the persons other than that mentioned in Item 5; and
7. Profits from the operation of the Fund and other revenue.

(2) Financial institutions shall make contributions to the Fund pursuant to Para.(1)1.

(3) The Fund shall be deemed to have been designated as a Government agency pursuant to [§ 77(2)] of the Bank of Korea Act in case it borrows funds from the Bank of Korea in accordance with Para.(1)5. (Amended on January 13, 1998)

(4) The contributions by financial institutions pursuant to Para.(2) shall be determined for each financial institution in consideration of the ratio of nonperforming claims held thereby; and other necessary matters relating to the contribution, such as the calculation method of contribution amount, timing and method, etc. of contribution shall be prescribed in the PD.

§40. Issuance, etc. of Nonperforming Claim Resolution Fund Bonds

(1) The KAMCO may, with resolution of the Committee, issue the Nonperforming Claim Resolution Fund Bonds (hereinafter referred to as "the Bonds") at the expense of the Fund in order to raise funds necessary for assumption and resolution of nonperforming claims.

(2) Matters necessary for the issuance of the Bonds shall be prescribed in the PD.

(3) The extinctive prescription of the Bonds shall be five (5) years for principal, and two (2) years for interest.

(4) The Government may guarantee the repayment of principal and interest of the Bonds.

(5) [§ 37(2)] shall apply *mutatis mutandis* to the Bonds.

§41. Management and Operation of Fund

(1) The KAMCO shall manage and operate the Fund.

(2) The Fund shall be used for the purpose falling under each of the following items. However, the funds mentioned in [§ 39(1)4] (including the proceeds arising from the resolution of nonperforming claims) shall not be used for the purpose falling under Item 3-2: (Amended on April 30, 1999)

1. Funds necessary for assuming the nonperforming claims of financial institutions and the assets subject to self-rescue plans of the enterprises showing signs of insolvency to be prescribed in the PD. However, the annual amount of funds to be used for assuming the assets subject to self-rescue plans of the enterprises showing signs of insolvency shall not exceed that to be used for assuming

nonperforming claims of financial institutions;

2. Repayment of principal and interest of borrowed funds pursuant to [§ 39(1)5 & 6];
(Amended on January 13, 1998)
3. Repayment of principal and interest of the Bonds; or
3-2.Lending money needed for performing the services of the KAMCO mentioned in [§ 26(1)1-3, 5, 10 & 10-2]; (Inserted on April 30, 1999)
4. Expenses for the management and operation of the Fund.

(3) The KAMCO may, when the Fund has surplus funds, manage them in such manner as provided in § 35.

§42. Operation Plan, etc. of Fund

(1) The KAMCO shall draw up the annual operation plan with respect to the total revenue and expense of the Fund and finalize it with resolution of the Committee before the commencement of each fiscal year.

(2) The KAMCO shall prepare the closing statement, balance sheet, and income statement of the Fund within two (2) months after the closing date of each fiscal year, and submit them to the FSC after reporting them to the Committee. (Amended on January 13, 1998)

§43. Accounting of Fund

(1) The fiscal year of the Fund shall be the same as that of the Government.

(2) The KAMCO shall keep the accounting of the Fund separately from its accounting.

CHAPTER V.
EXCEPTIONS FOR PROMOTION OF NONPERFORMING ASSETS RESOLUTION

§44. Exceptions to Requisites to Set up against Assignment of Nominative Claims

The KAMCO shall, when it completes the additional registration of transfer of mortgage in its name with respect to the registration of creation of mortgage of the secured nonperforming claims assumed pursuant to [§ 26(1)1], be deemed to have fulfilled requisites to set up against it pursuant to [§ 450] of CICO.

§45. Exceptions to Furnishing Security for Auction

The KAMCO may, when it intends to be an applicant purchaser at an auction procedure under the Code of Civil Execution, or to be an applicant purchaser on behalf of the financial institution which has entrusted with the collection of claims in order to perform the service mentioned in § 26(1)1, furnish, notwithstanding [§ 113] of the Code of Civil Execution, the certificate of payment assurance issued by the KAMCO

as security.(Amended on January 26, 2002)

§45-2. Exceptions to Notice or Dispatch for Auction

(1) The requirement for notice or dispatch in the case of auction proceedings under the Code of Civil Execution, which are initiated pursuant to the application by the person falling under one the following items (limited to the auction proceedings for the exercise of security right), shall be deemed to have been satisfied, when it is sent to the address recorded in the register of the real estate concerned at the time of application for auction (including the address recorded in the resident registration card under the Resident Registration Act in case such address is different from that recorded in such resident registration card, and an address is declared to the court, such address). In case any address is not recorded in the register or resident registration card or is not declared to the court, notice or dispatch shall be made by dispatch by public notice: (Amended on January 26, 2002)

1. The KAMCO as a creditor or a person receiving an entrustment of claims recovery for performing the services mentioned in § 26(1);
2. The financial institutions mentioned in § 2/1a through 1h; or (Amended on December 31, 2001)
3. The branches and agencies of foreign banking institutions obtained authorization pursuant to [§ 58(1)] of the Banking Act.(Inserted on December 31, 1999)
4. The Korea Deposit Insurance Corporation and The resolution financial institutions under the Depositors Protection Act.(Inserted on December 31, 2001)
5. Insurers under the Insurance Business Act(Inserted on December 31, 2001)
6. Mutual savings and finance companies under the Mutual Savings and Finance Company Act(Inserted on December 31, 2001)
7. Korea Credit Guarantee Fund established under the Credit Guarantee Fund Act(Inserted on December 31, 2001)
8. Credit-specialized financial companies under the Credit-Specialized Financial Business Act(Inserted on December 31, 2001)
9. Technology Credit Gguarantee Fund under the Act on Financial Assitance to New Technology Business(Inserted on December 31, 2001)

(2) In the auction procedures pursuant to Para.(1), a person falling under any item of Para.(1) shall notify the fact of the scheduled auction prior to the application for auction to the address recorded in the register of the real estate concerned (including the address recorded in the resident registration card under the Resident Registration Act in case such address is different from that recorded in such resident registration card). In this case, the requirement of dispatch shall be deemed to have been satisfied when such notice has been sent.(Inserted on April 30, 1999)

(3) In case a person falling under any of item 2 through 9 of Para.(1) submits an appliccation for court auction, the provions of Para.(1) shall apply if and only if the application is submitted on or before December 31, 2004.

(Inserted on December 31, 2001)

§45-3. Exceptions to Assumption of Real Estate

[§ 3 & § 4] of the Act on Special Measures on Registration of Real Estate shall not apply to the real estate which has been assumed by the KAMCO for performing its services mentioned in [§ 26(1)].(Inserted on April 30, 1999)

§46. Tax Assistance, etc.

The Government or local governments may afford tax assistance necessary for performing the services of the KAMCO.

CHAPTER VI.
SUPPLEMENTARY PROVISIONS

§47. Supervision

The FSC shall supervise the services of the KAMCO, and may issue orders necessary for such supervision.(Amended on January 13, 1998)

§48. Reports and Examination, etc.

(1) The FSC may have the KAMCO report the matters concerning the services, accounting, properties, etc. of the KAMCO, or have the Governor of the FSS examine the service status, or books, documents, facilities thereof, or other necessary objects when it is deemed necessary to do so. (Amended on January 13, 1998)

(2) [Deleted on January 13, 1998]]

(3) Any person who conducts the examination mentioned in Para.(1) shall produce a certificate indicating his authority to examine to the concerned persons.

CHAPTER VII.
PENAL PROVISIONS

§49. Penal Provisions

(1) A person who violates [§ 25(3)] shall be punished by an imprisonment of up to two (2) years or by a fine of up to ten (10) million won.

(2) A person who violates [§ 13] shall be punished by a fine of up to five (5) million won.

§50. Presumption of Public Official in Application of Criminal Code

The members mentioned in § 15(1)3 through 8 and the officers of the KAMCO shall be deemed public officials in application of [§ 129 to § 132] of the Criminal Code.

ADDENDA(AUGUST 22, 1997)

§1. Enforcement Date

This Act shall be effective after three (3) months from the date of promulgation.

§2. Operation Period of Fund

(1) The fund raising for the Fund mentioned in [§ 39] and the assumption of the nonperforming claims mentioned in [§ 41(2)1] and the assets subject to self-rescue plans to be prescribed in the PD shall be made for the period of only five (5) years from the enforcement date of this Act.

(2) The assumption mentioned in [§ 26(1)1] shall be made with the financial resources of the Fund during the period mentioned in Para.(1).

(3) The remaining assets of the Fund shall, when the redemption of principal and interest of the Bonds and borrowed funds, and the resolution, etc. of the assumed assets has been completed after the termination of the operation period of the Fund mentioned in Para.(1), be refunded to the institution concerned according to the disposition criteria which includes the contribution ratio, etc. mentioned in [§ 39(1)1 & 2].

(4) Necessary matters relating to detailed criteria on the disposition, timing, procedures, methods, etc. in settling the Fund pursuant to Para.(3) shall be prescribed in the PD.

§3. Establishment Committee

(1) The MOFE shall organize an establishment committee by commissioning not exceeding ten (10) persons within one (1) month from the date of promulgation of this Act, and have them perform the affairs relating to the preparation of establishment of the KAMCO.

(2) The establishment committee shall formulate the AI of the KAMCO, and obtain authorization thereof from the MOFE.

(3) The KAMCO shall make a registration of establishment when the establishment committee obtains authorization pursuant to Para.(2).

(4) The establishment committee shall, when it completes the establishment registration of the KAMCO pursuant to Para.(3), hand over its affairs and properties to the Managing Director of the KAMCO, and the establishment committee members shall be deemed to have been discharged from the committee when they completely transfer them.

§4. Dissolution of Former KAMCO

The former KAMCO established pursuant to [§ 53-3] of the Korea Development Bank Act shall be deemed to have been dissolved as of the date of the establishment registration of the KAMCO pursuant to [A§ 3].

§5. Succession of Properties, and Rights, and Obligations

(1) The KAMCO shall, as of the enforcement of this Act, comprehensively succeed to all properties, rights, and obligations belonging to the former KAMCO established pursuant to [§ 53-3] of the Korea Development Bank Act.

(2) The value of the properties which the KAMCO succeeds to pursuant to Para.(1) shall be their book value at the time of succession.

(3) The actions conducted by the former KAMCO established pursuant to [§ 53-3] of the Korea Development Bank Act in accordance with the relevant statutes before the enforcement of this Act shall be deemed to have been conducted by the KAMCO.

§6. Interim Measures on Investment by Korea Development Bank

(1) The properties which the Korea Development Bank had invested into the former KAMCO established pursuant to [§ 53-3] of the Korea Development Bank Act before the enforcement of this Act shall be deemed those which the Korea Development Bank has invested into the KAMCO pursuant to [§ 9(4)].

(2) The reserves held by the former KAMCO before the enforcement of this Act shall be deemed the profits accrued from investment by the Korea Development Bank pursuant to Para.(1), and may be transferred to the capital of the KAMCO in such a manner as prescribed in the PD.

§7. Expenses for Establishment

The KAMCO shall bear the expenses for its establishment.

§8. Interim Measures on Officers and Employees

(1) The officers of the former KAMCO established pursuant to [§ 53-3] of the Korea Development bank Act as of the enforcement of this Act shall be deemed those appointed under this Act. In this case, the term of office shall conform to the previous provisions, and shall commence from the date on which they are appointed pursuant to the previous provisions.

(2) The employees of the former KAMCO established pursuant to [§ 53-3] of the Korea Development bank Act as of the enforcement of this Act shall be deemed to have been appointed as those of the KAMCO.

§9. Amendments of Other Laws and Relations with Other Statutes

(1) The Korea Development Bank Act shall be amended as follows:

§ 53-3 shall be repealed.

(2) The Act on Special Measures on Defaulted Loans of Financial Institutions shall be amended as follows:

"The KAMCO" in § 2(1) shall be the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation (hereinafter

referred to as 'the KAMCO'; in § 6 and the main stipulations in the parts other than each item of § 7(1), the phrase "notwithstanding [§ 53-3] of the Korea Development Bank Act" shall be repealed respectively.

(3) The National Tax Collection Act shall be amended as follows:

In [§ 61(1)p], the phrase "the KAMCO established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(4) The Act on acquisition of Land by Foreigners and its Management shall be amended as follows:

In § 13(1), the phrase "the KAMCO established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(5) The Act on Registration of Real Estate under Actual Titleholder's Name shall be amended as follows:

In [§ 11(2)2m], the phrase "the KAMCO established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(6) The Basic Act on Fund Management shall be amended as follows:

Item 122 shall be newly inserted in the Annex as follows:

122. Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(7) The Farmland Act shall be amended as follows:

Item 4 shall be newly inserted in § 12(1) as follows:

4.The Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(8) When any other statutes have cited the Korea Asset Management Corporation established pursuant to [§ 53-3] of the Korea Development Bank Act as of the enforcement date of this Act, it shall be deemed that they have cited the KAMCO established under this Act.

ADDENDA(JANUARY 13, 1998)

§1. Enforcement Date

This Act shall be effective from April 1, 1998. However, the amended [§ 39(1)/3] and [§ 41] of this Act shall be effective from the date of promulgation.

§2. Interim Measures on Disposition

Authorization and other actions executed by administrative agencies, etc., or various declaration and other actions made thereto under the previous provisions as of the enforcement of this Act shall be regarded as the actions executed thereby or made thereto under this Act.

§3 to §5. [Omitted]

ADDENDUM(APRIL 30, 1999)

This Act shall be effective from the date of promulgation.

ADDENDA(DECEMBER 31, 1999)

§1. Enforcement Date

This Act shall be effective from the date of promulgation.

§2. Interim Measures on Change of Title

(1)The KAMCO (SUNGUP KONGSA) as of the enforcement date of this Act shall be deemed the KAMCO (HANKUK JASAN KWALLI KONGSA).

(2)The actions done by the title of the KAMCO (SUNGUP KONGSA) as of the enforcement date of this Act shall be deemed those done by the title of the KAMCO (HANKUK JASAN KWALLI KONGSA).

(3)The title of the KAMCO (SUNGUP KONGSA) registered in the registry book and public records as of the enforcement date of this Act shall be deemed the title of the KAMCO (HANKUK JASAN KWALLI KONGSA).

§3. Amendments of Other Laws

The provisions of the National Health Insurance Act shall be amended as follows:

In [§ 70(4)], "the KAMCO (hereinafter referred to as "SUNGUP KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation" shall be "the KAMCO (hereinafter referred to as "HANKOOK JASAN KWALLI KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation" and in [§ 70(5)], the KAMCO ("SUNGUP KONGSA") shall be the KAMCO ("HANKOOK JASAN KWALLI KONGSA"), respectively.

(2)The provisions of the National Tax Collection Act shall be amended as follows:

In [§ 61(1)p], "the KAMCO (hereinafter referred to as "SUNGUP KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial

Institutions and Establishment of Korea Asset Management Corporation" shall be "the KAMCO (hereinafter referred to as "HANKOOK JASAN KWALLI KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation", and in [§ 61(4)], the "KAMCO" (SUNGUP KONGSA) and "head office or branch" shall be the "KAMCO" (HANKOOK JASAN KWALLI KONGSA) and "main office, branch office, or business office" respectively, and in [§ 61(5) to (7)], the "KAMCO" (SUNGUP KONGSA) shall be the "KAMCO" (HANKOOK JASAN KWALLI KONGSA) respectively.

In [§ 62(2)], [§ 79p], and [§ 80], the "KAMCO" (SUNGUP KONGSA) shall be the "KAMCO" (HANKOOK JASAN KWALLI KONGSA).

(3)The provisions of the Basic Act on Fund Management shall be amended as follows:

In annexed sheet, No. 123 shall be amended as follows:

123.The Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(4)The provisions of the Farmland Act shall be amended as follows:

[§ 12(1)4] shall be amended as follows:

4.The KAMCO (HANKOOK JASAN KWALLI KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(5)The provisions of the Act on Registration of Real Estate under Actual Titleholder's Name shall be amended as follows:

In [§ 11(2)2m], "the KAMCO (SUNGUP KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(6)The provisions of the Industrial Development Act shall be amended as follows:

In [§ 14(1)5], "the KAMCO (SUNGUP KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(7)The provisions of the Insurance Act on Industrial Accident Compensation shall be amended as follows:

In [§ 74(2)], "the KAMCO (hereinafter referred to as "SUNGUP KONGSA")

established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the KAMCO (hereinafter referred to as "HANKOOK JASAN KWALLI KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation", and in [§ 74(3)&(4)], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)", respectively.

(8)The provisions of the Credit Guarantee Fund Act shall be amended as follows:

In [§ 32(1)], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)".

(9)The provisions of the Act on Asset Securitization shall be amended as follows:

[§ 2/2/l] shall be amended as follows:

l. The KAMCO (hereinafter referred to as "HANKOOK JASAN KWALLI KONGSA") under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

In [§ 8(2)] and [§ 36m], the "KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)".

(10)The provisions of the Act on Restriction of Special Exceptions to Tax shall be amended as follows:

In [§ 48(1)], "the KAMCO (hereinafter referred to as "SUNGUP KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation" shall be "the KAMCO (hereinafter referred to as "HANKOOK JASAN KWALLI KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation", and in [§ 48(2)m], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)" respectively.

In [§ 117(1)9], [§ 119(1)6&12], and [§ 120(1)5&11], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)", respectively and [§ 120(5)10] shall be amended as follows:

10. Cases where the KAMCO acquires stocks or stake in connection with the conversion of assumed claims into capital investment pursuant to [§ 26(1)1] of the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(11) The provisions of the Regional Credit Guarantee Foundation Act shall be amended as follows:

In [§ 40(3)], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)".

(12) When any other statutes have sited the Act on Efficient Disposal of

Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation or the KAMCO (SUNGUP KONGSA) at of the enforcement date of this Act, it shall be deemed that they have sited the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation or the KAMCO (HANKOOK JASAN KWALLI KONGSA).

ADDENDA(DECEMBER 31, 2001)

§1. Enforcement Date

This Act shall be effective from the date of promulgation.

§2. Amendments of Other Laws

(1) the Mutual Savings and Finance Company Act shall be amended as follows:

§ 36-2 shall be repealed

(2) the Credit Guarantee Fund Act shall be amended as follows:

§ 47 shall be repealed

ADDENDA(JANUARY 26, 2002)

§1. Enforcement Date

This Act shall be effective from July 1, 2002

§2 to §7 [Omitted]

ENFORCEMENT DECREE OF THE ACT ON EFFICIENT DISPOSAL OF NONPERFORMING ASSETS OF FINANCIAL INSTITUTIONS AND ESTABLISHMENT KOREA ASSET MANAGEMENT CORPORATION

Promulgated by Presidential Decree No. 15511 on November 19, 1997
Amended by Presidential Decree No. 15761 on April 1, 1998
Amended by Presidential Decree No.16234 on April 9, 1999
Amended by Presidential Decree No. 16476 on July 23, 1999
Amended by Presidential Decree No. 16604 on November 27, 1999
Amended by Presidential Decree No. 16709 on February 14 , 2000
Amended by Presidential Decree No. 16757 on March 24, 2000
Amended by Presidential Decree No. 16821 On May 29, 2000

§1. Purpose

The purpose of this Decree is to prescribe the matters delegated by the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation and the matters necessary for the enforcement thereof.(Amended on February 14, 2000)

§2. Scope of Institutions Conducting Financial Services

"The institutions prescribed in the PD from among those conducting financial services under other laws" provided in § 2/1i of the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and the Establishment of Korea Asset Management Corporation (hereinafter referred to as "the Act") refer to those which fall under one of the following subitems: (Amended on February 14, 2000)

1.Agricultural cooperatives under the Agricultural Cooperatives Act;(Amended on March 24, 2000)

2.Fisheries cooperatives under the Fisheries Cooperatives Act;

3.[Deleted on March 24, 2000]

4.A branch or agency of a foreign banking institution which has obtained authorization pursuant to [§ 58(1)] of the Banking Act; (Amended on April 1, 1998)

5.Insurers under the Insurance Business Act;

6.Mutual savings and finance companies under the Mutual Savings and Finance Company Act;

7.[Deleted on July 23, 1999]

8.Merchant banking corporations under the Merchant Banking Corporation Act;
9.Credit unions and their national federation under the Credit Union Act; (Amended on July 23, 1999)
10.Securities companies under the Securities and Exchange Act;
11.Korea Credit Guarantee Fund established under the Credit Guarantee Fund Act;
12.Credit-specialized financial companies which have obtained permission or have been registered under the Credit-Specialized Financial Business Act;
13.Technology Credit Guarantee Fund under the Act on Financial Assistance to New Technology Business;
14.[Deleted on July 23, 1999]
15.Venture capital companies under the Act on Support of Creation of Venture Business; and
16.Community credit cooperatives under the Community Credit Cooperative Act
17.Consignment company as prescribed in the Securities Investment Trust Business Act. (In serted on November 27,1999)
18.The company which is established for the purpose of assumption and resolution of claims by financial institutions mentioned § 2/1a through h of the Act and deemed by the FSC that it is necessary for the KAMCO to assume the claims held by the company concerned for efficient resolution of non-performing claims (Inserted on May 29,2000)
19.The resolution financial institutions mentioned in [§ 36-3] of the Depositors Protection Act (Inserted on May 29, 2000)

§2-2. Scope of Nonperforming Claims

"Other claims prescribed in the PD" mentioned in § 2/2 of the Act refer to those falling under one of the following items: (Inserted on July 23, 1999)
1.The claim which is subject to accumulation of the reserve for loan losses in such manner as determined by the FSC; and
2. Other claims which are deemed specially necessary for improving the liquidity and soundness of a financial institution, and subject to recognition by the Management Committee (hereinafter referred to as "the Committee") pursuant to [§ 14] of the Act.

§2-3. Scope of Assets Subject to Sale by Financial Institutions

"The assets to be prescribed in the PD" mentioned in § 2/4b of the Act refer to those falling under any of the following items: (Inserted on July 23, 1999)
1. Fixed assets (including leasehold guarantee money, and the same hereinafter in this article) which are not used for business purpose due to merger, conversion,

or resolution of a financial institution; and

2. Fixed assets which a financial institution intends to dispose of pursuant to the prompt corrective actions prescribed in [§ 10] of the Act on Structural Improvement of Financial Industry.

§3. Methods of, and Procedures for, Acceptance of Entrustment of Resolution of Nonperforming Assets

When a financial institution, pursuant to [§ 4(1)] of the Act, entrusts the resolution of its nonperforming assets mentioned in [§ 3(2)] of the Act (hereinafter referred to as "nonperforming assets") to the KAMCO, the KAMCO shall enter into an agreement with such financial institution with respect to the matters necessary for performing the entrusted affairs.(Amended on February 14, 2000)

§4. Methods of, and Procedures for, Assumption of Nonperforming Assets

(1) When a financial institution, pursuant to [§ 4(1)] of the Act, requests the assumption of nonperforming assets, the KAMCO shall enter into an agreement with such financial institution with respect to assumption terms including the price, etc. through consultation therewith, and assume them by the methods falling under each of the following items:

1.Nonperforming claims: receipt of documents evidencing claims and transfer of mortgage rights; and

2.Non-operational assets: transfer of ownership.

(2) In addition to the methods mentioned in Para.(1), the KAMCO may assume and resolve the nonperforming claims of a financial institution by the method of assuming all or part of them under an agreement among the financial institution, the KAMCO, and the debtor (including the owner of objects for security in case the debtor is not the owner of such objects), and obtaining the ownership of such objects for security thereof for settlement.

§5. Calculation of Assumption Price of Nonperforming Assets

(1) Assumption prices of nonperforming assets shall be calculated taking into account the prior rights of claims, real rights, lease rights, etc. while based on an impartial price, such as the appraisal price of the objects for security of nonperforming claims or non-operational assets subject to assumption by an appraiser under the Act on Public Notice of Land Prices and Appraisal of Lands.

(2) The contracting parties may insert a condition that there should be followed by an ex post facto settlement of the difference between the assumption price and the disposal price of the nonperforming assets at the time of entering into an agreement for

assumption, when there is a reason that it is difficult to determine their prices in advance pursuant to Para.(1).

§6. Priority in, and Criteria, etc. on, Assumption of Nonperforming Assets

(1) The KAMCO may, in order to efficiently operate the Nonperforming Claim Resolution Fund (hereinafter referred to as "the Fund") provided in § 38 of the Act, first assume the nonperforming assets falling under one of the following items:

1. Nonperforming assets which are deemed necessary for the public interests, such as the protection of management soundness of financial institutions, etc;
2. Nonperforming assets whose resolution could have great effects because a number of interested persons are involved;
3. Nonperforming assets whose disposition is not subject to severe restriction by public laws; or
4. Nonperforming assets whose sale prices could be immediately collected because their sale is not restricted.

(2) The KAMCO shall not assume the nonperforming claims when it is hardly expected to secure real benefits through the exercise of mortgage rights after assumption in the cases where the claims senior to those secured by the mortgage rights of a financial institution, which have been created on the objects for security of the nonperforming claims (including claims to public charges such as national or local taxes, etc.), exceed the standard to be prescribed in the service manual of the KAMCO provided in § 26(6) of the Act (hereinafter referred to as "the service manual").

§7. Payment of Assumption Price of Nonperforming Assets

Assumption price of nonperforming assets shall be, in principle, paid in cash. However, all or part of the assumption price may be paid with the Nonperforming Claim Resolution Fund Bonds provided in § 40 of the Act (hereinafter referred to as "the Bonds") in consultation with financial institutions in case the nonperforming assets concerned are assumed at the expense of the Fund.

§8. Acceptance of Entrustment or Assumption of Assets Subject to Self-Rescue Plans of Enterprises Showing Signs of Insolvency

(1) [§ 3] shall apply *mutatis mutandis* to the cases where the KAMCO accepts the entrustment of sale of the assets subject to self-rescue plans of the enterprises showing signs of insolvency pursuant to [§ 5(2)] of the Act.

(2) [§ 4(1), § 5(1) & § 7] shall apply *mutatis mutandis* to the cases where the KAMCO assumes the assets subject to self-rescue plans of the enterprises showing signs of insolvency pursuant to [§ 5(2)] of the Act. In this case, the method of

assumption shall conform to the following items:

1. Real estate: transfer of ownership;
2. Securities: transfer of ownership by way of actual delivery, change of title, etc.; and
3. Affiliates: acquisition of stock or equity with which the KAMCO can control them.

(3) The KAMCO may first assume the assets subject to self-rescue plans of the enterprises showing signs of insolvency, which is necessary for the public interests, in accordance with the criteria provided in its service manual.

§9. Calculation Method, etc. of Capital Investment

(1) The capital investment provided in § 9(4) of the Act shall be calculated in such manner as provided in the AI of the KAMCO, within the range of 10/100 of the paid-in capital of each financial institution, on the basis of the total assets thereof. However, the financial institutions mentioned in [§ 2] may be excluded, with resolution of the Management Committee, from those subject to capital investment.(Amended on July 23, 1999)

(2) The capital investment mentioned in Para.(1) shall be paid in cash.

(3) Financial institutions shall make an initial capital investment mentioned in Para.(1) before the establishment registration of the KAMCO.

(4) The time to pay another capital investment other than that mentioned in Para.(3) shall be prescribed in the AI.

§10. Registration of Establishment of Branches

The KAMCO shall, when it establishes a branch or liaison office, register the matters concerned in accordance with the classification falling under each of the following items:

1. The effect of establishment of a branch or liaison office within two (2) weeks at the location of the main office; and
2. Matters mentioned in [§ 12(2)1 to 3 (excluding those on the location of another branch or liaison office) & 6] and the name, resident registration number, and address of the Managing Director within three (3) weeks at the location of the new branch or liaison office.

§11. Registration of Relocation

(1) The KAMCO shall, when it relocates its main office, register the fact within two (2) weeks at the former location, and the matters falling under each item of [§ 12(2)] of the Act within three (3) weeks at the new location respectively.

(2) The KAMCO shall, when it relocates its branch or liaison office, register the fact within three (3) weeks at the former location, and the matters falling under [§ 10/2] within four (4) weeks at the new location.

§12. Registration of Changes

The KAMCO shall, when there is a change in each item of [§ 12(2)] of the Act, register its contents within two (2) weeks at the location of its main office. In this case, when there is a change in the matters falling under [§ 10/2], it shall register the changed matters within three (3) weeks at the location of its branch or liaison office.

§13. Registration of Appointment of Representative

The KAMCO shall, when its Managing Director appoints representatives (limited to the representative with comprehensive power of representation for business) pursuant to [§ 23] of the Act, register the matters falling under the following items within two (2) weeks at the locations of its main office, branch, or liaison offices where such representative is appointed:

1. The name, resident registration number, and address of the representative; and
2. In case the power of a representative is restricted, its contents.

§14. Computation of Registration Period

For the matters requiring the authorization or approval from the FSC among those to be registered pursuant to [§ 10 to § 13], the registration period shall commence from the arrival date of the certificate of authorization or approval. (Amended on April 1, 1998)

§15. Applicant for Registration

(1) The Managing Director of the KAMCO shall apply for the registration pursuant to [§ 10 to § 13].

(2) Documents evidencing the respective reason shall be attached to the application for registration pursuant to [§ 10 to § 13].

§17. Qualification of Committee Member to be Commissioned

The members to be commissioned by the FSC pursuant to [§ 15(1)8] of the Act shall be those who do not fall under the disqualification of officers of the KAMCO provided in § 19 of the Act. (Amended on April 1, 1998)

§18. Administration of Committee

(1) The Committee shall prepare the minutes, and the Chairman and all members present shall put down their names or affix their seals thereon.

(2) A Committee member shall not attend the meetings in respect of the agenda in which he or his relatives have direct interests, or which is directly related with the institution or enterprise to which he belongs.

(3) The KAMCO may pay allowances for the members who attend meetings within the limit of its budgets.

(4) Necessary matters concerning the administration of the Committee other than those provided in this Decree shall be determined by the Chairman with resolution of the Committee.

§18-2. Ceiling on Guarantee

"The range to be prescribed in the PD" mentioned in § 26(1)1-3c of the Act refers to 300/100 of the sum of the paid-in capital, legal reserve, and reserve for business expansion of the KAMCO. (Amended on February 14, 2000)

§19. Incidental Services

"Services to be prescribed in the PD" provided in § 26(1)12 of the Act refer to those falling under one of the following items:

1. Arrangement of acquisitions or mergers of enterprises in order to support self-rescue plans of the enterprises showing signs of insolvency;
2. Advice and consultation relating to the utilization and development of real estate; and
3. Incidental services to be approved by the FSC which deems them necessary for achieving the purpose of establishment of the KAMCO, such as resolution of nonperforming assets, support of management normalization of the enterprises showing signs of insolvency, and so on. (Amended on April 1, 1998)

§20. Scope, Criteria, etc. of Real Estate for Development

(1) The scope, criteria, etc. of real estate for development provided in § 26(5) of the Act shall be the real estates falling under each of the following items, which are expected to be easily sold at reasonable prices if they are developed (referring to the land improvement, such as land partition and combining, soil alteration, etc., or construction of new buildings, expansion of existing buildings, and changes in uses thereof, and the same hereinafter), although they are not sellable or difficult for sale at reasonable prices as they are:

1. In the case of urban areas, the real estate whose the development cost does not exceed five (5) times its assumption price (referring to urban areas provided in § 6/1 of the Act on the National Land Utilization and Management, and the same hereinafter); or

2. In the case of outside of urban areas, the real estate whose development cost does not exceed ten (10) times its assumption price.

(2) Notwithstanding Para.(1), the real estates which fall under one of the following items and which have no obstacles for sale may be regarded as those eligible for development upon approval from the Committee:

1. The real estate whose development might resolve the petitions of many residents in neighboring areas or might be beneficial to their convenience; or
2. The real estate whose development is requested from local governments or public bodies for the improvement of relevant areas or for the public interests.

(3) In application of Para.(1)1 and 2, the increment of cost due to an inevitable cause, such as changes in design which are hardly predictable, shall not be included in the development cost.

§21. Scope, Criteria, and Purchase Procedures of Adjoining Real Estate

(1) The adjoining real estate prescribed in § 27(2) of the Act shall be the real estate which is indispensable for the uses of the real estate to be purchased. However, the real estate whose area and price exceed the area and price of the real estate to be purchased shall be excluded.

(2) The KAMCO shall, when it intends to purchase adjoining real estate, consult the purchase conditions with the owner thereof on the basis of an impartial price, such as the appraisal price by an appraiser under the Act on Public Notice of Land Prices and Appraisal of Lands.

§22. Calculation Methods, etc. of Contribution

(1) The amount of contribution by each financial institution pursuant to [§ 39(4)] of the Act shall be calculated on the basis of nonperforming claims ratio, etc. of each financial institution within 30/100 of the paid-in capital thereof. [§ 9(1)*p*] shall apply *mutatis mutandis* to this case.

(2) The contribution mentioned in Para.(1) shall be paid in cash.

(3) Detailed criteria concerning the calculation and payment timing of the contribution shall be determined by the Committee.

§23. Declaration of Debenture Issuance

The KAMCO shall, when it intends to issue debentures, make a declaration to the FSC by determining the amount, terms, and the methods of issuance and redemption each time. (Amended on April 1, 1998)

§24. Types of Debentures

Debentures shall be issued in bearer form. However, they may be issued in non-bearer form when requested by subscribers or bearers.

§25. Method, etc. of Debenture Issuance

The KAMCO shall issue debentures by the method of public offering, firm commitment underwriting or secondary distribution.

§26. Subscription, etc. to Debentures

(1) The KAMCO shall, when it intends to issue debentures by the method of public offering, prepare and deliver the application form for debentures containing the matters falling under each of the following items:

1. Name of the KAMCO;
2. Total amount of debentures to be issued;
3. Par value of each denomination of debentures;
4. Interest rate of debentures;
5. Method and date of redemption of principal;
6. Method and date of interest payment;
7. Issuance price or minimum price of debentures;
8. Outstanding amount in the case of debentures unredeemed.

(2) A person intending to subscribe to debentures shall complete two (2) copies of the application forms for debentures mentioned in Para.(1) by making entries of the numbers and amount of the debentures to subscribe, and his address, and submit them to the KAMCO by putting down his name and affixing his seal thereon or by signing them. In the case of issuing debentures by determining the minimum price, the subscription price shall be indicated.

§27. Firm Commitment Underwriting Method

(1) [§ 26] shall not apply to the case where debentures are issued by a firm commitment underwriting method. This provision shall also apply to the case where a person entrusted with public offering of debentures underwrites a portion thereof.

(2) The KAMCO shall, when it intends to issue debentures by a secondary distribution method, make prior public notice of the matters mentioned in [§ 26(1)1 to 6] and the distribution period thereof.

§28. Total Amount of Debenture Issuance

(1) The KAMCO may, when issuing debentures pursuant to [§ 26], issue debentures even though the actual subscription amount falls short of the total issuance amount stated in the application form for debentures. In this case, it shall state its

intention in such application form.

(2) In the case of Para.(1), the total subscription amount shall be the total amount of debenture issuance.

§29. Payment, etc. of Debenture Subscription Price

(1) The KAMCO shall, when the subscription to debentures is completed, promptly have subscribers pay the total amount of their subscription.

(2) A person entrusted with the subscription to debentures may conduct the practice mentioned in Para.(1) in his name on behalf of the KAMCO.

(3) The KAMCO shall not issue debentures unless the total amount of subscription equivalent to the full amount of issuance is paid. However, this shall not apply to the cases of issuing debentures by the secondary distribution method.

§30. Information Required in Debenture Certificate

The following information shall be included in the debenture certificate, and the Managing Director of the KAMCO shall put down his name thereon and affix his seal thereto:

1. Matters falling under § 26(1)1 through 6 (excluding those falling under § 26(1)2 in the case of issuing debentures by the secondary distribution method);
2. Serial number of debentures; and
3. Issuance date of debentures.

§31. Debenture Register

(1) The KAMCO shall keep the debenture register at its main office, and state therein the matters falling under the following items:

1. Number of debentures by denomination and serial number;
2. Issuance date of debentures; and
3. Matters mentioned in § 26(1)2 through 6.

(2) In the case of non-bearer debentures, the following matters shall be stated in addition to those mentioned in Para.(1):

1. Name and address of the debenture owner; and
2. Acquisition date of the debentures.

(3) The owner or bearer of the debentures may ask the KAMCO to peruse the debenture register.

§32. Transfer of Non-Bearer Debentures

Any transfer of non-bearer debentures shall not stand against the KAMCO or other third party unless the matters mentioned in each item of § 31(2) are entered in the

debenture register.

§33. Creation of Pledge on Non-Bearer Debentures

(1) Any pledgee shall not, when non-bearer debentures form the subject matter of a pledge, stand against the KAMCO or other third party if he fails to enter his name and address in the debenture register.

(2) The KAMCO shall, when a pledge is created pursuant to Para.(1), state the creation of pledge in the debenture concerned.

§34. Case of Missing Coupon

(1) In case a coupon is missed when non-bearer debentures with coupons are redeemed, the amount equivalent to such coupon shall be deducted from the redemption amount.

(2) The holder of the coupon mentioned in Para.(1) may request for the payment of deducted amount in redemption of such coupon.

§35. Notice, etc. to Debenture Bearers

(1) A notice or peremptory notice to the subscribers or right-holders before issuing debenture certificates shall be delivered to the address indicated on the subscription form. When the KAMCO is notified of other address, such notice shall be delivered to such address.

(2) A notice or peremptory notice to the owners of non-bearer debentures shall be delivered to the address entered in the debenture register. When the KAMCO is notified of other address, such notice shall be delivered to such address.

(3) A notice or peremptory notice to the owners of bearer debentures shall be made by the method of public announcement.

§36. Report

The KAMCO shall, whenever it completes debenture issuance, report the contents thereof to the FSC. (Amended on April 1, 1998)

§37. Scope of Assets Subject to Self-Rescue Plans of Enterprises Showing Signs of Insolvency to be Assumed by Fund

(1) "The assets subject to self-rescue plans of the enterprises showing signs of insolvency to be prescribed in the PD" provided in § 41(2)1 of the Act refer to the assets which fall under the standard stipulated in the service manual, and whose assumption price is five (5) billion won or greater.

(2) The annual amount of funds provided in § 41(2)1p of the Act refers to those

actually utilized according to the annual operation plan provided in § 42(1) of the Act.

ADDENDA(NOVEMBER 19, 1997)

§1. Enforcement Date

This Decree shall be effective from November 23, 1997. However, [A§ 5 & A§ 6] shall be effective from the date of promulgation.

§2. Repeal of Other Statutes

The Korea Asset Management Corporation Decree shall be repealed.

§3. Treatment of Remaining Assets of Fund

(1) The date of returning the remaining assets of the Fund pursuant to [A§ 2(4)] of the Act shall be within three (3) months from the date on which the redemption of debts of the Fund and the disposal of acquired assets are completed. However, in case the redemption of debts of the Fund and the disposal of acquired assets are almost completed after the expiration of the Fund operation period, the remaining assets may be returned earlier with approval from the Committee within the extent to which the redemption of debts is not impeded.

(2) The remaining assets of the Fund shall be returned in cash according to the rate of contribution to the Fund. However, the return in kind may be made in accordance with the method determined by the Committee in case such return comes to an agreement with the financial institution concerned.

(3) The KAMCO shall, when it intends to return remaining assets of the Fund, prepare in advance the asset list and balance sheets of the Fund, and obtain an approval from the Committee; and it shall prepare the closing statement of accounts without delay, and report it to the Committee when it returns the remaining assets.

§4. Transfer of Reserve into Capital

(1) The reserve provided in A§ 6(2) of the Act shall be the amount remaining after deducting the book value of holding assets, taxes and public charges to be imposed, and recognized liability reserve, from the aggregate amount of the earned surplus and appraised asset value as of the date before the establishment registration date of the KAMCO. In this case, the appraised asset value shall be calculated under the following methods:

1. Real estate: the appraisal value by an appraiser under the Act on Public Notice of Land Prices and Appraisal of Lands, etc. within three (3) months before the

registration date of establishment; and

2. Assets other than real estate: the appraisal value by the generally accepted methods which are financial accounting standards or practices as of the date before the registration date of establishment.

(2) The reserve mentioned in Para.(1) shall belong to the Korea Development Bank on the registration date of establishment, and it shall be deemed to have been invested to the KAMCO by the Korea Development Bank.

(3) Other necessary matters concerning the transfer of reserve into capital pursuant to Para.(1) shall be stipulated in the AI.

§5. Exceptions to Payment of Initial Capital Investment and Contribution

The establishment committee provided in A§ 3 of the Act (hereinafter referred to as "the establishment committee") shall, in making an initial capital investment and contribution pursuant to [§ 9 & § 22], determine the financial institutions which are to make a capital investment or contribution, calculation methods of investments and contributions, the payment date, etc.

§6. Exceptions to Preparation for Bond Issuance

The establishment committee shall carry out necessary matters on the bond issuance, such as the application for the repayment guarantee of principal and interest of the bonds provided in § 40(4) of the Act until the KAMCO completes its registration of establishment.

§7. Amendments of Other Statutes

(1) Enforcement Decree of the Act on Acquisition of Lands by Foreigners and their Management shall be amended as follows:

"The Korea Asset Management Corporation established under [§ 53-3] of the Korea Development Bank Act" in § 13(1) shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(2) Enforcement Decree of the Act on Registration of Real Estate under Actual Titleholder's Name shall be amended as follows:

In § 6(1), "The Korea Asset Management Corporation established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(3) Enforcement Decree of the Act on Tax on Excessive Profits from Land shall be amended as follows:

In § 44(2), "The Korea Asset Management Corporation established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(4) Enforcement Decree of the Depositors Protection Act shall be amended as follows:

In § 11(1), "The Korea Asset Management Corporation established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(5) Enforcement Decree of the Act on Utilization and Protection of Credit Information Act shall be amended as follows:

In § 5, "The Korea Asset Management Corporation established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Non-performing Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(6) Enforcement Decree of the Act on Industrial Placement and Factory Construction shall be amended as follows:

§ 17/4 shall be amended as follows:

4.The Korea Asset Management Corporation established under the Act on Efficient Disposal of nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

§ 49-2/3 shall be amended as follows:

3.The Korea Asset Management Corporation established under the Act on Efficient Disposal of nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(7) Enforcement Decree of the Act on Assistance to Residential Stability and Lump Sum Making Savings of Workers shall be amended as follows:

§ 22(1)2 shall be amended as follows:

2.The Korea Asset Management Corporation established under the Act on Efficient Disposal of nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(8) Enforcement Decree of the Value Added Tax Act shall be amended as follows:

"The Korea Asset Management Corporation established under [§ 53-3] of the Korea Development Bank Act" in § 33(3) shall be "the KAMCO established under the Act on Efficient Disposal of nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(9) Enforcement Decree of the Act on Promotion of Distribution Complex

Development shall be amended as follows:

§ 40(4)3 shall be amended as follows:

3.The Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(10) Enforcement Decree of the Act on Promotion of Inducement of Private Funds into Social Overhead Projects shall be amended as follows:

In § 29, "The Korea Asset Management Corporation established pursuant to [§ 53-3] of the Korea Development Bank Act" shall be "the Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(11) Enforcement Decree of the Act on Utilization and Management of the National Lands shall be amended as follows:

Item15 shall be newly inserted in § 29(1) as follows:

15. The Korea Asset Management Corporation established under the Act on Efficient Disposal of nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation (hereinafter referred to as "the KAMCO").

§ 30/18 shall be amended as follows:

18. The cases where the KAMCO acquires lands pursuant to [§ 4 or § 5] of the Act on Efficient Disposal of nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation or sells them by competitive bidding, and those where the KAMCO sells the lands which have been failed to sell after three(3) times or more of bidding upon entrusting their sales to the KAMCO.

(12) Enforcement Decree of the Act on Ownership Ceiling on Housing Sites shall be amended as follows:

Item 10 shall be newly inserted in § 6 as follows:

10. The Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(13) Enforcement Decree of the Act on Redemption of Development Profits shall be amended as follows:

Subitem q. shall be newly inserted in § 5(2)3 as follows:

q.The Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(14) Enforcement Decree of the Housing Construction Promotion Act shall be

amended as follows:

Subitem e. shall be newly inserted in Item 1 of Annex 3 as follows:

The Korea Asset Management Corporation established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

ADDENDA(APRIL 1, 1998)

§1. Enforcement Date

This Decree shall be effective from the date of promulgation.

§2. Interim Measures on Scope of Persons Engaging in Supervision Duties of Supervisory Authorities in Application of Penalty Provisions

Notwithstanding the amended [§ 10], in application of penalty provisions against the acts conducted by the persons engaging in supervision duties of supervisory authorities before the enforcement of this Decree, the previous provisions shall apply.

§3. Interim Measures on Criteria, etc. on Input of Credit Information

Credit information companies and credit information centers, etc. shall input, change, follow up, and delete credit information in accordance with the criteria and procedures determined by the MOFE pursuant to [§ 10] of the previous Enforcement Decree of the Act on Utilization and Protection of Credit Information until the time when the FSC determines the criteria and procedures pursuant to the amended [§ 10] of the Enforcement Decree of the Act on Utilization and Protection of Credit Information.

§4. Interim Measures on Dispositions, etc.

Authorizations and other actions executed by the administrative bodies, or various declarations or other actions made to the administrative bodies pursuant to the provisions in force before the enforcement of this Decree shall be regarded as those executed by, or made to, the administrative bodies.

ADDENDA(APRIL 9, 1999)

§1. Enforcement Date

This Act shall be effective from the date of promulgation.

§2. [Omitted]

ADDENDUM(JULY 23, 1999)

This Decree shall be effective from the date of promulgation.

ADDENDUM(NOVEMBER 27, 1999)

This Decree shall be effective from the date of promulgation.

ADDENDA(FEBRUARY 14, 2000)

§1. Enforcement Date

This Decree shall be effective from the date of promulgation.

§2. Amendments of Other Statutes

(1) The provisions of the Enforcement Decree of the Act on Redemption of Development Profits shall be amended as follows:

[§ 5(2)/3c] shall be amended as follows:

c.The KAMCO established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(2) The provisions of the Enforcement Decree of the Act on Industrial Placement and Factory Construction shall be amended as follows:

[§ 49-2/3] shall be amended as follows:

3.The KAMCO established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(3) The provisions of the Enforcement Decree of the Notary Public Act shall be amended as follows:

The No. 23 of the annexed sheet 1 shall be amended as follows:

23.The KAMCO.

(4) The provisions of the Enforcement Decree of the Act on Public Official Ethics shall be amended as follows:

Annexed sheet No.1-4. The item No. 36 in the column of the institutions or bodies, whose officers are appointed by the head of central administrative organ or local administrative body or appointed with approval therefrom, shall be amended as follows:

36.The KAMCO.

Annexed sheet No.2-2. The item No. 32 in the column of the head of institution shall

be amended as follows:

32. The KAMCO.

(5) The provisions of the Enforcement Decree of the Customs Act shall be amended as follows:

[§ 109-3/1] shall be amended as follows:

1.The KAMCO established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(6) The provisions of the Enforcement Decree of the National Tax Collection Act shall be amended as follows:

In [§ 76-2(2)], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)".

(7) The provisions of the Enforcement Decree of the National Property Act shall be amended as follows:

In [§ 33(2)p], "the KAMCO (hereinafter referred to as "SUNGUP KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation" shall be "the KAMCO ("HANKOOK JASAN KWALLI KONGSA") established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

In [§ 38(7)] and [§ 61(3)4], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)".

(8) The provisions of the Enforcement Decree of the Act on Assistance to Residential Stability and Lump Sum Making Savings of Workers shall be amended as follows:

[§ 22(1)2] shall be amended as follows:

2.The KAMCO established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(9) The provisions of the Enforcement Decree of the Act on Real Name Financial Transactions and Protection of Confidentiality shall be amended as follows:

[§ 4(2)4] shall be amended as follows:

4.Nonperforming Claim Resolution Fund Bonds stipulated in [§ 40] of the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(10) The provisions of the Enforcement Decree of the Act on Registration of Real Estate under Actual Titleholder's Name shall be amended as follows:

In the title of § 6, "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)", and in [§ 6(1)], "the KAMCO

(SUNGUP KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation", and in [§ 6(2) to (6)], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)", respectively.

(11) The Enforcement Decree of the Act on Industrial Location and Development shall be amended as follows:

In [§ 40-2(4)], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)".

(12) The Enforcement Decree of the Insurance Act on Industrial Accident Compensation shall be amended as follows:

In [§ 79-2(1)], [§ 79-3(1)m & (2)], [§ 79-4(1)], and [§ 79-5)], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA)", respectively.

(13) The provisions of the Enforcement Decree of the Mutual Savings and Finance Company Act shall be amended as follows:

[§ 24(1)12] shall be amended as follows:

12. The KAMCO established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(14) The provisions of the Enforcement Decree of the Futures Trading Act shall be amended as follows:

[§ 5-2/11] shall be amended as follows:

11. The Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(15) The provisions of the Enforcement Decree of the Credit Guarantee Fund Act shall be amended as follows:

In [§ 24(1)], "the KAMCO (SUNGUP KONGSA)" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(16) The provisions of the Enforcement Decree of the Depositors Protection Act shall be amended as follows:

[§ 12(1)1] shall be amended as follows:

1.The KAMCO established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management

Corporation.

(17) The provisions of the Enforcement Decree of the Act on Promotion of Distribution Complex Development shall be amended as follows:

[§ 40(4)3] shall be amended as follows:

3.The KAMCO established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(18) The provisions of the Enforcement Decree of the Merchant Banking Corporation Act shall be amended as follows:

In [§ 12-2(1)m], "the KAMCO (SUNGUP KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation" shall be "the KAMCO (HANKOOK JASAN KWALLI KONGSA) established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation".

(19) The provisions of the Enforcement Decree of the Housing Construction Promotion Act shall be amended as follows:

The Subitem f of Item 1 of annexed sheet No.3 shall be amended as follows:

f.The KAMCO established under the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(20) The provisions of the Enforcement Decree of the Securities and Exchange Act shall be amended as follows:

[§ 18-2(2)11] shall be amended as follows:

11. The Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(21) The provisions of the Enforcement Decree of the Securities Investment Trust Business Act shall be amended as follows:

[§ 7(2)25] shall be amended as follows:

25. The Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(22) The provisions of the Enforcement Decree of the Securities Investment company Act shall be amended as follows:

[§ 3/25] shall be amended as follows:

25. The Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

(23) The provisions of the Enforcement Decree of the Local Tax Act shall be amended as follows:

[§ 84-4(1)2d] shall be amended as follows:

d.Land sold to the KAMCO or sold by the KAMCO at a request from other persons pursuant to [§ 4] and [§ 5] of the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

[§ 194-15(4)17] shall be amended as follows:

17. Land temporarily acquired and held by the KAMCO for the purpose of sale to other persons pursuant to [§ 6] of the Act on Efficient Disposal of Nonperforming Assets of Financial Institutions and Establishment of Korea Asset Management Corporation.

ADDENDA(MARCH 24, 2000)

§1. Enforcement Date

This decree shall be effective from March 24, 2000

§2 TO §6 [Omitted]

ADDENDUM(MAY 29, 2000)

This decree shall be effective from the date of promulgation

CORPORATE RESTRUCTURING PROMOTION ACT

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to facilitate the ordinary corporate restructuring under the market functions by enhancing the accounting transparency of enterprises and setting the systems for efficiently managing credit risks by the financial institutions, while prescribing matters necessary to make the corporate restructuring facilitated swiftly and smoothly.

Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows:

1.The term "creditor financial institution" means a person who extends credits to the relevant enterprise and falls under any of the following items:

(a) Any financial institution that has been granted authorization under the Banking Act (including any person who is deemed a financial institution under Articles 5 and 59 of the same Act);

(b) The Korea Development Bank established under the Korea Development Bank Act;

(c) The Export-Import Bank of Korea established under the Export-Import Bank of Korea Act;

(d) The Industrial Bank of Korea established under the Industrial Bank of Korea Act;

(e) Any securities company incorporated under the Securities and Exchange Act;

(f) Any truster company incorporated under the Securities Investment Trust Business Act;

(g) Any insurer licensed under the Insurance Business Act;

(h) Any trust company incorporated under the Trust Business Act;

(i) Any finance company specializing in credits incorporated under the Specialized Credit Financial Business Act;

(j) Any mutual savings bank established under the Mutual Savings Bank Act;

(k) Any merchant bank established under the Merchant Banks Act;

(l) The Korea Asset Management Corporation established under the Act on the Efficient

Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of the Korea Asset Management Corporation;

(m) The Deposit Insurance Corporation established under the Depositor Protection Act; and

(n) Any other person who runs the banking business under applicable Acts, as prescribed by the Presidential Decree;

2.The term "creditor bank" means a financial institution carrying on the banking business regularly and systematically, from among the creditor financial institutions;

3.The term "principal creditor bank" means a leading creditor bank of the relevant enterprise (where there exists no leading creditor bank, the bank having the largest amount of credit extension). In such case, matters concerning the selection and alteration, etc. of the principal creditor bank shall be determined by the Financial Supervisory Commission;

4.The term "enterprise" means a company having obtained any credit extension from the creditor financial institution, of which the total sum is not less than 50 billion won (hereafter in this subparagraph, referred to as the "standard amount"). In such case, where the total sum of credit extension amount becomes short of the standard amount due to the credit readjustment, repayment of indebtedness, etc., after being deemed to be an enterprise with an insolvency sign under subparagraph 5, it shall be deemed to be an enterprise;

5.The term "enterprise with insolvency signs" means an enterprise deemed, through the customer enterprise' credit risk assessment under Article 9, by the principal creditor bank or the creditor banks' council under Article 24 (hereinafter referred to as the "council") to be difficult to repay the indebtedness from the financial institution without any fund assistance from outside or any separate borrowing (excluding the borrowing occurring in the ordinary financial transactions);

6.The term "credit extension" means those falling under each of the following items, and as determined by the Financial Supervisory Commission:

(a) Loan;

(b) Purchase of bills and bonds;

(c) Facility loan;

(d) Payment guarantee;

(e) Disbursement of a substitute payment following payment guarantee;

(f) Trade that may cause any losses to the financial institution when the counterpart of

trade becomes insolvent; and

(g) If it is not the case where the financial institution has directly conduct the trade falling under items (a) through (f), the trade that may substantially bring about the results corresponding thereto; and

7.The term "credit readjustment" means any adjustment of the retained bonds by the creditor financial institution, by means of the extension of repayment time limit, abatement or exemption of the principal and interests, conversion of loans into investment, and others corresponding thereto.

Article 3 (Relationship with Other Acts)

This Act shall be applicable in preference to other Acts that prescribe the corporate restructuring, etc.

CHAPTER II MANAGEMENT OF ENTERPRISE ACCOUNTING INFORMATION AND CREDIT RISKS

Article 4 (Operation, etc. of Internal Accounting Management System)

(1) Any enterprise (including an enterprise subject to the Act on External Audit of Stock Companies; hereafter in Articles 4 through 8 and 39, the same shall apply) shall equip itself with the rule for internal accounting management containing the matters falling under each of the following subparagraphs and the system for managing and operating it (hereinafter referred to as the "internal accounting management system") for the purpose of preparing and publicly announcing the reliable accounting information:

1.Matters for the means of discrimination, measurement, classification, record and report of the accounting information (including the information on the trade forming the basis of accounting information; hereafter in this Article, the same shall apply);

2.Matters for the means of controlling and correcting any error in the accounting information;

3.Matters for the internal inspection of the accounting information, including a regular examination and adjustment thereof;

4.Matters for the means of managing the books recording and preserving the accounting information (including the computer facilities), and for the controlling procedure to prevent the forgery, alteration and damage;

5.Matters for the division of duties and the responsibilities of the officers and employees related to the preparation and public announcement of the accounting information; and

6.Such other matters prescribed by the Presidential Decree as necessary for the preparation and public announcement of the reliable accounting information.

(2) No enterprise shall prepare accounting information without referring to the internal accounting management system, or forge, alter and damage the accounting information prepared under the internal accounting management system.

(3) The representative of an enterprise shall be responsible for the management and operation of the internal accounting management system, and designate one of the full-time directors of the relevant enterprise as the person for internal accounting management (hereinafter referred to as the "internal accounting manager").

(4) The internal accounting manager shall make a report at each semi-annual period to the board of directors and the auditor (including the auiting committee; hereinafter the same shall apply) on the actual operating status of the internal accounting management system of the relevant enterprise.

(5) The auditor shall evaluate the actual operating status of the internal accounting management system, report to the board of directors thereon, and keep it in the main office of the relevant enterprise. In such case, he shall, where he has an opinion for any corrections thereof, make a report including it.

(6) Matters necessary for the operation, etc. of the internal accounting management system shall be prescribed by the Presidential Decree.

Article 5 (Examination of Internal Accounting Management System by Auditors)

(1) The auditor under Article 3 of the Act on External Audit of Stock Companies (including the certified pubic accountant; hereinafter referred to as the "auditor") shall, where he performs the auditing duties under Article 2 of the Certified Public Accountant Act (hereinafter referred to as the "auditing duties"), examine the propriety of the internal accounting management system and whether it is observed, as well as the contents of report on the actual operating status of internal accounting management system under Article 4 (4).

(2) The auditor shall, where the propriety of internal accounting management system and the compliance with it are doubtable or there exist any concerns over the provision of false or unreliable accounting information, request the internal accounting manager to furnish the data establishing a prima facie case, and indicate on his auditing reports his comprehensive opinions on its examination.

Article 6 (Protection of Reporters)

(1) In case where any person who comes to know of matters falling under any of the following subparagraphs in regard to the accounting information of an enterprise, files a report on such facts with the Securities and Futures Commission under the conditions as

prescribed by the Presidential Decree, or notices the auditor or the auditing person of the relevant enterprise, any disciplinary actions or corrective measures, etc. on the reporter or notifier may be mitigated or exempted under the conditions as prescribed by the Presidential Decree:

1.Where the enterprise prepares and publicly announces the financial statement in contravention of the standards for accounting under Article 13 of the Act on External Audit of Stock Companies;

2.Where the auditor fails to implement the auditing under the standards for accounting audit under Article 5 of the Act on External Audit of Stock Companies, or prepares a false auditing report; and

3.Where, otherwise, the accounting information is falsely prepared or any fact is suppressed, corresponding to subparagraphs 1 and 2.

(2) Any person in receipt of a report or notice under paragraph (1) shall maintain the secret relevant to the identity of a reporter or notifier.

Article 7 (Request for Furnishing Audit Reports)

Creditor financial institutions may request an enterprise intending to obtain a credit extension, to furnish the audit reports for the immediately preceding two business years under the Act on External Audit of Stock Companies.

Article 8 (Notice of Supervising Results)

(1) The Securities and Futures Commission shall notify the financial institutions as prescribed by the Presidential Decree of the matters prescribed by the Presidential Decree, such as the supervising results of the audit reports under Article 15 (1) of the Act on External Audit of Stock Companies.

(2) The financial institutions under paragraph (1) shall reflect the supervising results notified to them in the examination, etc. of credit extension.

Article 9 (Assessment of Credit Risks)

(1) Creditor banks shall perform the regular assessment of credit risks of customer enterprises, and take the pertinent measures for post management.

(2) The creditor banks shall, for the purpose of the assessment of credit risks and post management under paragraph (1), prepare and operate the standards for regular assessment of enterprise's credit risks and for the post management containing such management index as the profitability, growth factors, soundness, stability, etc. under the guidance of the Financial Supervisory Commission, and notify them to the customer enterprises.

CHAPTER III RESTRUCTURING OF ENTERPRISE WITH INSOLVENCY SIGNS

Article 10 (Measures against Enterprise with Insolvency Signs)

(1) The principal creditor bank shall take the measures under Article 12 against an enterprise with insolvency signs without delay.

(2) Other creditor banks than the principal creditor bank shall, where they deem that any customer enterprise corresponds to an enterprise with insolvency signs as a result of credit risk assessments under Article 9, request the principal creditor bank to take the measures under paragraph (1) without delay.

(3) Creditor banks shall, where deemed that any customer enterprise does not correspond to an enterprise with insolvency signs as a result of credit risk assessments under Article 9 but it is most likely to become an enterprise with insolvency signs, recommend that the relevant enterprise take measures for business improvement including the self survival plans, etc.

Article 11 (Assessment by Outside Specialized Agencies)

(1) The principal creditor bank or the council may request an enterprise with insolvency signs to undergo the inspection of assets and liabilities and the assessment on the surviving ability as a going concern, etc. by the outside specialized agencies, such as the accounting firms, selected in consultation with the said enterprise.

(2) Where an enterprise with insolvency signs fails to comply with the request under paragraph (1) without any justifiable grounds, the creditor financial institutions shall not be required to give any credit extension or may suspend it to the relevant enterprise.

Article 12 (Management of Enterprise with Insolvency Signs)

(1) The principal creditor bank shall, where judged that there exists a possibility of management normalization of an enterprise with insolvency signs as a result of assessment of business plans, etc. furnished by it, without delay commence the management procedures falling under any of the following subparagraphs or take necessary measures for the commencement of such procedures through applying directly to a court or requesting the relevant enterprise to make such an application:

1.Joint management by the creditor financial institutions through the council;

2.Joint management by the creditor banks through the creditor banks' council under Article 22 (1);

3.Management by the principal creditor bank;

4.Procedures for a company reorganization under the Company Reorganization Act;

and

5.Procedures for a composition under the Composition Act.

(2) The principal creditor bank shall, where judged that an enterprise with insolvency signs has no possibility of management normalization or where no procedure among those falling under any subparagraph of paragraph (1) has been initiated (including the case of suspension after commencing the management procedures), take without delay the measures falling under any of the following subparagraphs: Provided, That this shall not apply to the cases where judged that the expenses required for it exceed the profit to be gained by the creditor financial institutions, where judged that the recovery of claims is possible by other means, or where any measure falling under any of the following subparagraphs has been taken under other causes:

1.A request to the relevant enterprise for a dissolution or liquidation; and

2.Where judged that there exist in the relevant enterprise any causes for a bankruptcy under the Bankruptcy Act, a request for bankruptcy and a request for making an application for bankruptcy.

(3) Notwithstanding the provisions of paragraphs (1) and (2), the creditor financial institutions may apply for a company reorganization procedure under the Company Reorganization Act. In such case, if there exists a decision on commencing a company reorganization procedure, the management procedures under paragraph (1) 1 through 3 shall be deemed to have been suspended.

(4) The principal creditor bank or the council may, before taking measures under paragraph (1) or (2), facilitate the management normalization by selling a third party the stocks acquired through a conversion into investment or as a security, etc., or entrusted for disposal. In such case, the measures under paragraph (1) or (2) shall not be required to be taken if the stocks are sold to the third party.

(5) The principal creditor bank shall, where an enterprise with insolvency signs falls under the proviso of paragraph (2), notify the causes therefor to the Korea Federation of Banks established under Article 32 of the Civil Act (hereinafter referred to as the "Federation of Banks") so as to let other financial institutions know of them.

(6) With respect to whether the management procedures under paragraph (1) 2 and 3 have commenced or their details, etc., the whole or part of them may be closed to the public.

Article 13 (Joint Management by Creditor Financial Institutions)

(1) Creditor financial institutions may, through a resolution by the council, commence the procedures for joint management by creditor financial institutions under Article 12 (1) 1.

(2) Any person requesting a convocation of the council for commencing the joint management procedures under paragraph (1) shall provide a prima facie proof that the relevant enterprise with insolvency signs meets the requirements under Article 12 (1). In such case, where there exists any inevitable cause such as requiring the inspection of assets and liabilities under Article 11, a prima facie proof may be provided not later than the expiry of deferment period for exercising the claims under Article 14 through a resolution by the council.

(3) The council may, where judged necessary for securing the claims, request the relevant enterprise to obtain approval of the person designated by the council (hereinafter referred to as the "fund manager") from the date of commencing the joint management procedures under paragraph (1) on the implementation of major business such as the fund management, etc., and where the relevant enterprise fails to comply with it without any justifiable grounds, or carries out any business without approval of the fund manager, it may suspend the deferment of exercising the claims or the joint management procedures against the relevant enterprise, notwithstanding the provisions of Article 14.

(4) The qualification requirements, authorities and responsibilities, etc. for the fund manager shall be prescribed by the Presidential Decree.

Article 14 (Deferment of Exercising Claims)

(1) The principal creditor bank shall, where it convenes the council for commencing the joint management procedures of the creditor financial institutions under Article 12 (1), notify the Governor of the Financial Supervisory Service and the creditor financial institutions thereof. In such case, the Governor of the Financial Supervisory Service may request that any exercising of claims (including the exercising of any security, but excluding referring to the clearing for any interruption of prescription) is to be deferred from the date of notifying the creditor financial institutions of the convocation of the council to the date of first convocation of the council.

(2) Creditor financial institutions may, in view of the size of the enterprise in question and the number of the creditor financial institutions, etc., determine the deferment period of exercising the claims at the first council convened within 7 days from the convocation notice within the limit of not exceeding one month from the date of commencing the deferment (3 months in case where the inspection of assets and liabilities is required), and extend such a period just for once within the limit of one month.

(3) Where the consultative fails to determine the deferment period of exercising the claims under paragraph (2), or fails to fix the plans for management normalization of the enterprise in question under Article 15 (1) not later than the expiry of the deferment period of exercising the claims, the joint management procedures of the creditor financial institutions against the enterprise shall be deemed to have been suspended from the next date.

Article 15 (Agreement for Executing Management Normalization Plans)

(1) The council shall conclude with an enterprise with insolvency signs, for which the joint management procedures under Article 13 have been commenced, an agreement for executing the plans for normalizing the management of the relevant enterprise (hereinafter referred to as the "plans for management normalization") (hereinafter referred to as the "agreement") through a resolution within the deferment period of exercising the claims under Article 14.

(2) The agreement under paragraph (1) shall contain the following matters for normalizing the management of the relevant enterprise:

1.Level of management objectives of the relevant enterprise such as turnover, and operating profits;

2.Definite execution plans containing the restructuring plans such as the personnel, organization, wage adjustment of the relevant enterprise and plans for improving the financial structures such as the issuance of new stocks, the decrease of capital necessary for the achievement of objective levels under subparagraph 1. In such case, the execution period of such plans shall be the period of not more than one year, but may be extended by a resolution of the council;

3.Execution plans to be carried out additionally by the relevant enterprise, such as the adjustment of gross personnel expenses, in case where the objective levels under subparagraph 1 are not to be attained;

4.Consent letter for matters requiring the consent of interested parties, such as the trade union or stockholders of the relevant enterprise in connection with matters under subparagraphs 2 and 3;

5.Plans for readjusting the claims and for credit extension devised in order to support the liquidity required for the management normalization of the relevant enterprise;

6.Definite plans in case where normalizing the management by means of sale to a third party, entrustment of management, establishment of a corporate restructuring investment company under the Corporate Restructuring Investment Company Act, etc.; and

7.Such other matters prescribed by the Presidential Decree as necessary for the management normalization of an enterprise.

(3) Creditor financial institutions shall not grant an additional credit extension to an enterprise with insolvency signs prior to a conclusion of an agreement: Provided, That this shall not apply to the case where there exists an urgent need for funds such as the raising of operating funds prior to the conclusion of the agreement for which a resolution is adopted at the council.

Article 16 (Examination on Executing Agreement)

(1) The principal creditor bank shall quarterly examine the record of executing the agreement.

(2) An enterprise with insolvency signs shall, where the principal creditor bank requests the said enterprise to furnish the reports or data on the business or assets or for the presence and statement, etc. of related persons for the examinations under paragraph (1), comply with it.

(3) The principal creditor bank shall regularly assess and examine whether the joint management of the relevant enterprise is to be continued and the possibility of management normalization of the relevant enterprise on the basis of the results of examinations under paragraph (1), and report to the council thereon. In such case, it shall request the outside specialized agencies not less than once every two years from the date of commencing the joint management procedures to make such assessment.

Article 17 (Readjustment, etc. of Claims)

(1) Creditor financial institutions may, where judged necessary for the management normalization of an enterprise with insolvency signs, render through a resolution of the council the readjustment of claims or a new credit extension to the relevant enterprise (excluding any alteration in the existing terms for credit extension; hereinafter the same shall apply). In such case, the readjustment of claims shall, in view of the order of the rights, be achieved fairly and with meeting the equity.

(2) A resolution of the council on the readjustment of claims under paragraph (1) shall be valid only with a concurrent vote of the creditor financial institutions having not less than 3/4 of security claims from among the gross security claims of creditor financial institutions (referring to the claims corresponding to the valid security values within the scope of liquidation values of relevant assets; hereinafter the same shall apply).

Article 18 (Preferential Repayment of New Credit Extension)

A new credit extension by the creditor financial institutions under Article 17 shall be repaid in preference of the claims of other creditor financial institutions next to the legal security interests.

Article 19 (Interruption of Joint Management Procedures)

The council shall interrupt the joint management procedures pursuant to a resolution of the council in the following cases:

1.Where the relevant enterprise fails to execute the important matters of the plans for management normalization without any justifiable grounds, or where judged that the plans for management normalization are difficult to be executed, as the result of an examination under Article 16 (1); or

2.Where judged that the continuance of joint management is inadequate, or where judged that there exists no possibility for management normalization of the relevant enterprise, as the result of an assessment under Article 16 (3).

Article 20 (Prior Submission of Reorganization Plans)

(1) Where the joint management procedures of creditor financial institutions have been interrupted under Article 19, and where the relevant enterprise or its creditor financial institution applies for the reorganization procedures under Article 30 of the Company Reorganization Act, the principal creditor bank shall submit to the competent court the plans for management normalization or the plans for improvement thereof.

(2) The plans for management normalization submitted under paragraph (1) shall be deemed a draft of prior plans under Article 190-2 of the Company Reorganization Act.

(3) Where the procedures of joint management by creditor financial institutions have been interrupted under Article 19, and where the relevant enterprise applies for the commencement of composition under Article 12 of the Composition Act, the principal creditor bank shall request the relevant enterprise to submit to the competent court the plans for management normalization or the plans for improvement thereof as a condition for composition.

Article 21 (Examination of Possibility for Management Normalization of Enterprises for Reorganization or Composition)

(1) The principal creditor bank shall examine the actual record, etc. of implementing the reorganization plans or composition conditions against the enterprise in progress of the company reorganization procedures or composition procedures, and regularly valuate or examine not less than once in every year the possibility of the relevant enterprise for management normalization.

(2) The enterprise in progress of the company reorganization procedures or composition procedures shall, where the principal creditor bank requests the relevant enterprise to furnish the report or data on the business or assets or for the presence or statement of the related persons for the examination under paragraph (1), comply with it.

(3) The principal creditor bank shall, where judged that the enterprise for which company reorganization procedures or composition procedures are in progress has no possibility for a management normalization, file without delay an application with the competent court for an abolition of such reorganization procedures or an abolition or cancellation of such composition.

(4) The provisions of Article 12 (2) shall apply mutatis mutandis to the case where the competent court decides on an abolition of reorganization procedures or of composition according to the application under paragraph (3).

Article 22 (Joint Management by Creditor Banks)

(1) The principal creditor bank may, where deemed that joint management by creditor banks is necessary for restructuring of the enterprise with insolvency signs, establish the creditor banks' council composed of only the creditor banks.

(2) The provisions of Articles 24 through 30, 32, and 33 shall apply mutatis mutandis to the creditor banks' council under paragraph (1). In such case, the term "creditor financial institutions" and "council" shall read as "creditor banks" and "creditor banks' council", respectively.

(3) Where the principal creditor bank commences management by the creditor banks' council under paragraph (1), the provisions of Articles 11, 12 (4), and 13 through 20 shall be applicable mutatis mutandis. In such case, the term "creditor financial institutions" and "council" shall read as "creditor banks" and "creditor banks' council", respectively.

Article 23 (Management by Principal Creditor Bank)

(1) The principal creditor bank may independently commence the management procedures against the relevant enterprise with insolvency signs in order to normalize the management thereof under Article 12 (1) 3.

(2) The provisions of Articles 15, 16, 17 (1) and 19 shall apply mutatis mutandis to the case where the management procedures by the principal creditor bank commence under paragraph (1). In such case, the term "council" and "joint management" shall read as "principal creditor bank" and "management by the principal creditor bank", respectively.

CHAPTER IV COUNCIL, ETC. OF CREDITOR FINANCIAL INSTITUTIONS

Article 24 (Council of Creditor Financial Institutions)

(1) For the purpose of an efficient restructuring of an enterprise with insolvency signs, a council composed of creditor financial institutions of the relevant enterprise shall be established.

(2) The convocation and operation of the council shall be managed by the principal creditor bank.

(3) The principal creditor bank may convene the council in order to deliberate and resolve on the matters under each subparagraph of Article 26 (1). The creditor financial institutions that are not the principal creditor bank may, where the amount of credit extension to the enterprise in question is in excess of 1/4 of the gross amount of credit extension by the creditor financial institutions, independently or together with other creditor financial institutions, request the principal creditor bank to convene the council, and the principal creditor bank in receipt of such a request shall convene the council

without delay.

(4) Where the creditor financial institution intends to sell the retained bonds (including the stocks converted into investments pursuant to the plans for management normalization) to other persons than the creditor financial institutions or entrust them with the management rights after a convocation of the council is notified, the relevant creditor financial institution shall obtain a definite promise note from such other persons to the effect that they shall comply with the provisions of this Act, and submit it to the council.

(5) The principal creditor bank may request the enterprise in question to obtain a definite promise note from other creditors than the creditor financial institutions to the effect that they shall comply with the provisions of this Act and to submit it to the council, and such other creditors that have submitted the definite promise note shall be deemed creditor financial institutions under this Act.

Article 25 (Exclusion of Petty-Sum Creditor Financial Institutions)

The council may, where judged necessary for efficient restructuring, exclude from the council any creditor financial institution whose credit extension amount is not more than the ratio as determined by the council within the limit of 5/100 of the gross amount of credit extension by the creditor financial institutions (hereinafter referred to as the "petty-sum creditor financial institutions"). In such case, the excluded petty-sum creditor financial institutions shall be deemed not to be the creditor financial institutions.

Article 26 (Duties of Council)

(1) The council shall deliberate and resolve on the matters falling under any of the following subparagraphs:

1.Recognition of an enterprise with insolvency signs;

2.Decision on the commencement of joint management procedures by the creditor financial institutions and on whether they are to be continued;

3.Decision on and extension of a deferment period of exercising the claims;

4.Conclusion of an agreement;

5.Examination on and measures for the actual record of implementing an agreement;

6.Examination and assessment on and measures for the possibility of management normalization of the enterprise in question;

7.Formulation of the plans for readjustment of claims or credit extension;

8.Sales of the stocks under Article 12 (4);

9.Decision on exclusion of petty-sum creditor financial institutions; and

10.Other matters related to subparagraphs 1 through 9.

(2) The council shall, where it deliberates or resolves under paragraph (1), provides in advance the operator of the enterprise concerned with an opportunity to state his opinions orally or in writing.

(3) The council may, where deemed necessary for efficient restructuring of the enterprise with insolvency signs, entrust by its resolution the steering committee composed of representatives of the creditor financial institutions belonging to the council or the principal creditor bank with the whole or part of duties under each subparagraph of paragraph (1).

Article 27 (Methods, etc. of Resolution by Council)

(1) The council shall take decision with a concurrent vote of the creditor financial institutions retaining 3/4 or more of the gross amount of credit extension by the creditor financial institutions (including the loans converted into investments pursuant to the plans for management normalization; hereinafter the same shall apply): Provided, That the council may determine by its resolution the methods of resolution differently by setting forth the scope of definite cases.

(2) The creditor financial institutions shall faithfully perform the matters resolved under paragraph (1).

(3) Other matters required in connection with the operation of the council shall be determined by the said council under the conditions as prescribed by the Presidential Decree.

Article 28 (Reports, etc. on Credit Extension Amount)

(1) Creditor financial institutions shall file a report with the principal creditor bank on the credit extension amount to the relevant enterprise on the basis of the date immediately preceding that of notifying the convocation, within 5 days from the date on which a notice for convocation of the council is given for commencing the joint management procedures under Article 13.

(2) The creditor financial institutions shall exercise a voting right at the council in proportion to the credit extension amount reported under paragraph (1): Provided, That within the period for report under paragraph (1), they may exercise a voting right on the basis of the latest credit extension amount of the creditor financial institutions that has been notified by the Korea Federation of Banks to the principal creditor bank.

(3) The resolution of the council under the proviso of paragraph (2) shall be valid only

in case where the credit extension amount reported by the creditor financial institutions that have voted for such a resolution satisfies the requirement for resolution under Article 27 (1).

(4) The council may, where there is any dispute in regard to whether the credit extension reported by the creditor financial institutions exists, etc., restrict the exercise of said voting right until the fixing of whether it exists.

(5) The creditor financial institutions whose exercising of voting rights is restricted under paragraph (4) may exercise their voting rights from the date of fixing whether the credit extension amount exists, but the effect of such exercise shall not set up against the past resolutions of the council. In such case, the period for requesting the purchase of claims under Article 29 (1) shall be calculated from the date of fixing whether the credit extension amount exists.

(6) Any person who reports on his credit extension amount after the reporting period under paragraph (1) may exercise the voting right from the date of fixing the said amount, but the effect of such exercise shall not set up against the past resolutions of the council.

Article 29 (Request by Opposing Creditor for Purchase of Claims)

(1) Where there exists a resolution of the council under Article 27 (1) on matters falling under any of the following subparagraphs, the creditor financial institutions opposing the resolution may request the council within 7 days from the date of the council's resolution to purchase their claims. In such case, the creditor financial institutions that may request the purchase of claims shall be limited to those that have not attended the council or those that have attended there and expressed their opposing intent in writing, and any person that has not requested the purchase of claims within the said period shall be deemed to have agreed to the resolution of the relevant council:

1.Commencement of joint management procedures by the creditor financial institutions under Article 13 (1); and

2.Readjustment of claims or new credit extension under Article 17.

(2) The council shall, where there exists a request under paragraph (1), notify the opposing creditor of the purchase price of claims and conditions thereof within a month therefrom, and have the creditor financial institutions belonging to the council that have voted for the resolution purchase them within the period for performing the management normalization.

(3) The council may request the Korea Asset Management Corporation under the Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of the Korea Asset Management Corporation, the Deposit Insurance Corporation and the reorganizing financial institutions under the Depositor Protection Act, or other agencies designated by the council to purchase the claims of opposing

creditors, or request the relevant enterprise to redeem them.

(4) The price of purchase or redemption of claims and conditions thereof under paragraph (2) or (3) shall be determined by a consultation between the council and the opposing creditors. In such case, if it is difficult to fix the price of purchase or redemption of the claims, it may be paid at the temporary price for now, and the balance between the consulted price and the temporary one may be settled later.

(5) Where the consultation under paragraph (4) is not attained, the mediation committee under Article 31 (1) shall make a decision on the price of purchase or redemption of claims and conditions thereof. In such case, the mediation committee shall take into consideration the price computed by an accounting specialist selected under a consultation between the council and opposing creditors by evaluating the value of the relevant enterprise with insolvency signs and the possibility for implementing the agreement, as well as the situation of funds of purchase institutions.

Article 30 (Responsibilities for Compensating Losses)

(1) Creditor financial institutions shall, where they fall under any of the following subparagraphs, be liable for compensating jointly and severally for the losses within the limit of losses incurred by other creditor financial institutions:

1.Where the creditor financial institutions that have attended the council and expressed the concurrent intent fail to perform the resolution of the council; and

2.Where the creditor financial institutions fail to submit to the council a definite promise note after obtaining it under Article 24 (4), while they sell the retained claims to other persons than the creditor financial institutions or entrust them with the management right under the said paragraph.

(2) The creditor financial institutions liable for compensating the losses under paragraph (1) may pay the penalty to the council for all of the other creditor financial institutions. In such case, the responsibility for compensating the losses under paragraph (1) shall be exempted.

(3) The value of penalty and the distribution of paid penalty under paragraph (2) shall be determined by the council, and where an agreement is not attained thereon, they shall be governed by mediation of the mediation committee under Article 31.

Article 31 (Mediation Committee for Creditor Financial Institutions)

(1) A mediation committee for creditor financial institutions (hereinafter referred to as the "mediation committee") shall be established for the purpose of an efficient reorganization of enterprises with insolvency signs and of mediation, etc. of dissenting opinions between the creditor financial institutions.

(2) The mediation committee shall consist of 7 members selected under the conditions

as prescribed by the Presidential Decree, who fall under any of the following subparagraphs (excluding persons working at the Government, financial supervisory agencies, creditor financial institutions, and enterprises with insolvency signs):

1.Persons having experiences of working for 10 or more years at financial institutions or in finance-related fields;

2.Attorneys-at-law or certified public accountants;

3.Persons having at least master's degree in finance-related fields, who have experiences of working for 10 or more years at the post of researchers or full-time lecturers or higher position at a research institute or college or university, and have the speciality relevant to the corporate restructuring; and

4.Persons who have experiences of engaging for 3 or more years in the corporate restructuring duties.

(3) The terms of office of the chairman and members shall be one year, but a consecutive appointment may be permitted, and the chairman shall be elected from among and by the members.

(4) The mediation committee shall perform the duties falling under any of the following subparagraphs:

1.Mediation of dissenting opinions (excluding the dissenting opinions on the resolution of the council) that are not settled despite an autonomous consultation between the creditor financial institutions, which are matters as prescribed by the Presidential Decree;

2.Mediation of the price of purchase or redemption of claims and conditions thereof under Article 29 (5);

3.Mediation of the value of penalty and the distribution of paid penalty under Article 30 (3);

4.Judgment of whether the resolved matters of the council are violated and the decision on implementation thereof;

5.Enactment or amendment of the provisions relevant to the operation of the mediation committee; and

6.Other matters as prescribed by the Presidential Decree relevant to the operation of the council.

(5) The mediation committee shall independently perform the duties belonging to its authority.

(6) The mediation committee shall take decisions with a concurrent vote of 2/3 or more of the total members.

(7) Matters necessary for the organization, operation, etc. of the mediation committee shall be prescribed by the Presidential Decree.

Article 32 (Mediation Application)

(1) A creditor financial institution may, where it has any objection in regard to matters deliberated by the council, file a request with the mediation committee in writing clarifying the details of application.

(2) The creditor financial institution filing an application for mediation under paragraph (1) shall provide a prima facie proof that it has exerted all-out efforts for an autonomous consultation.

Article 33 (Mediation Procedures, etc.)

(1) The mediation committee shall forthwith notify the creditor financial institution and the council of the result of mediation of an application for mediation under Article 32.

(2) Mediation by the mediation committee shall have the same validity as a resolution of the council: Provided, That any creditor financial institution dissatisfied with the result of mediation may apply to the competent court for a decision of modification thereof.

CHAPTER V SPECIAL CASE FOR PROMOTION OF CORPORATE RESTRUCTURING

Article 34 (Special Case of Restriction, etc. on Investment and Asset Operation)

(1) Where a creditor financial institution converts the liabilities into investments or performs the readjustment of claims under a resolution of the council for the purpose of corporate restructuring, the provisions listed in any of the following subparagraphs shall not be applicable:

1.Article 37 and subparagraph 1 of Article 38 of the Banking Act;

2.Article 19 of the Insurance Business Act;

3.Article 17 of the Merchant Banks Act;

4.Article 24 of the Act on the Structural Improvement of the Financial Industry; and

5.Other provisions of the Acts and subordinate statutes as prescribed by the Presidential Decree among the Acts and subordinate statutes related to the restriction, etc. on investment and asset operation.

(2) Where the creditor financial institution converts the liabilities into investments under paragraph (1), the relevant enterprise with insolvency signs may, notwithstanding the provisions of Article 417 of the Commercial Act, issue its stocks at the price falling short of the face value with only a resolution of the stockholders' general meeting under Article 434 of the Commercial Act, without obtaining an authorization from the competent court. In such case, the stocks shall be issued within one month from the date of resolution at the stockholders' general meeting, except as otherwise determined by the stockholders' general meeting.

Article 35 (Special Case of Corporate Restructuring Investment Company)

(1) A corporation for which the dissolution or liquidation procedures are in progress under the Bankruptcy Act, that has been a financial institution under subparagraph 1 of Article 2 of the Act on the Structural Improvement of the Financial Industry, shall also be deemed to be a creditor financial institution under subparagraph 1 of Article 2 of the Corporate Restructuring Investment Company Act.

(2) Where the creditor financial institution under subparagraph 1 of Article 2 of the Corporate Restructuring Investment Company Act invests in a corporate restructuring investment company, the provisions of subparagraph 1 of Article 38 of the Banking Act shall not be applicable.

(3) Notwithstanding the provisions of Article 23 (1) of the Credit Guarantee Fund Act and Article 28 (1) of the Financial Assistance to New Technology Businesses Act, the assets contracted for corporate restructuring under the Corporate Restructuring Investment Company Act that are retained by a credit guarantee fund and a technology credit guarantee fund, may be invested in kind in the corporate restructuring investment company or transferred to it.

(4) Notwithstanding the provisions of Article 19 (1) of the Financial Holding Companies Act, any subsidiary company of a financial holding company may control a corporate restructuring investment company.

CHAPTER VI CORRECTIVE MEASURES AND PENAL PROVISIONS

Article 36 (Corrective Measures against Creditor Financial Institution)

(1) The Financial Supervisory Commission may, where any creditor financial institution commits an act falling under any of the following subparagraphs, request a correction thereof with fixing a specific period:

1.Where it neglects the assessment of credit risks or the post management measures in contravention of Article 9 (1);

2.Where it fails to commence the management procedures without any justifiable grounds in contravention of Article 12;

3.Where it renders the fund supports in contravention of Article 15 (3);

4.Where it violates Article 16 (3) or 21 (1) or (3); and

5.Where it sells its retained bonds or entrusts its management right in contravention of Article 24 (4).

(2) Where the creditor financial institution in receipt of a request for corrections under paragraph (1) fails to comply with the request for corrections within the specific period without any justifiable grounds, the Financial Supervisory Commission may request or order the relevant creditor financial institution to take measures falling under any of the following subparagraphs:

1.Caution, warning, censure or salary reduction against the creditor financial institution and its officers and employees;

2.Suspension of the officers' duties or selection of a manager performing the officers' duties as proxy;

3.Suspension of part of the business; and

4.Other measures corresponding to subparagraphs 1 through 3, that are deemed necessary for the correction of violated matters.

Article 37 (Penal Provisions)

Any person who has committed an act falling under any of the following subparagraphs shall be punished by imprisonment for not more than 5 years or by a fine not exceeding 30 million won:

1.A person who has forged, altered, or damaged the accounting information prepared pursuant to the internal accounting management system in contravention of Article 4 (2); or

2.A person who has divulged the secret related to the identity, etc. of the reporter or notifier in contravention of Article 6 (2).

Article 38 (Joint Penal Provisions)

If the representative of a juristic person, or an agent, an employee or any other employed person of the juristic person or an individual commits such an act as prescribed in Article 37 in connection with the affairs of said juristic person or individual, not only shall such an actor be punished accordingly, but the juristic person or individual shall be punished by a fine under the same Article.

Article 39 (Fine for Negligence)

(1) A person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding 30 million won:

1.A person who has not equipped himself with the internal accounting management system in contravention of Article 4 (1); or

2.A person who has not examined whether the internal accounting management system was complied with or has failed to indicate opinions on the audit reports in contravention of Article 5.

(2) A fine for negligence under paragraph (1) shall be levied and collected by the Financial Supervisory Commission under the conditions as prescribed by the Presidential Decree.

(3) A person dissatisfied with the disposition of a fine for negligence under paragraph (2) may file an objection with the Financial Supervisory Commission within 30 days from the date of receiving a notice of the said disposition.

(4) Where a person subjected to a disposition of a fine for negligence under paragraph (2) raises an objection under paragraph (3), the Financial Supervisory Commission shall, without delay, notify the competent court, which in turn shall proceed to a trial on a fine for negligence pursuant to the Non-Contentious Case Litigation Procedure Act.

(5) If neither an objection is raised nor is a fine for negligence paid within the period as prescribed in paragraph (3), the said fine for negligence shall be collected by referring to the practices of dispositions on default of national taxes.

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force one month after the date of its promulgation.

Article 2 (Valid Period)

(1) This Act shall be valid not later than December 31, 2005.

(2) In applying the penal provisions and a fine for negligence to the offenses committed during the period whereto this Act is applicable, this Act shall be applicable even after this Act becomes invalid.

(3) Where the principal creditor bank notifies a convocation of the council within the valid period of this Act, this Act shall be applicable not later than the completion or suspension of management procedures under Article 12 (1).

Article 3 (General Transitional Measures)

Any resolution, deferment of exercising claims, conclusion of an agreement for implementing the management normalization plans, readjustment of claims, and other activities taken or conducted by the principal creditor bank or the council prior to the enforcement of this Act against the enterprises with insolvency signs for which the management normalization is in progress pursuant to an agreement of the creditor financial institutions at the time of enforcement of this Act, shall be deemed the activities that have been performed by the principal creditor bank or the council pursuant to this Act.

Article 4 (Applicable Cases)

(1) The provisions of Article 18 shall be applicable beginning with the portion of credit extension first provided after the enforcement of this Act.

(2) The provisions of Articles 28 through 30 shall be applicable beginning with the case of resolution taken by the council after the enforcement of this Act.

INDUSTRIAL DEVELOPMENT ACT

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose) The purpose of this Act is to contribute to the development of the national economy by strengthening the competitiveness of the industrial sector, by accomplishing the balanced development thereof and by promoting the structural advancement thereof.

Article 2 (Scope of Application) This Act shall apply to the industries as prescribed by the Presidential Decree which are the manufacturing industries and industries closely linked to the promotion of the competitiveness of the manufacturing sector (hereinafter referred to as "industry"): Provided, That this Act shall not apply to businesses subject to restructuring under Article 14 (4).

Article 3 (Industrial Development Policy) In order to achieve the purpose of this Act, the Minister of Commerce, Industry and Energy shall consult the head of any related central administrative agency to devise policies for the following purposes to achieve the purpose of this Act:

1.Promotion of advanced industrial structure;
2.Stimulation of the restructuring process as prescribed in Article 14 (4) 5;
3.Enhancement of industrial technology and productivity;
4.Training and efficient management of human resources;
5.Expansion of the industrial infrastructure; and
6.Promotion of international industrial cooperation.

CHAPTER II PROMOTION OF INDUSTRIAL COMPETITIVENESS

Article 4 (Mid- to Long-Term Development Outlook)

(1) The Minister of Commerce, Industry and Energy may formulate a five-year outlook for mid- to long-term industrial development (hereinafter referred to as the "mid- to long-term development outlook") as a way of presenting the anticipated development of the industry beyond the near future.
(2) In formulating the mid- to long-term development outlook, the following shall be included:

1.Prospects for the advancement of industrial structure;

2.Prospects for development and anticipated investments in each industrial category;

3.Prospects for the introduction of a new, high potential industry which may contribute substantially to the national economy (hereinafter referred to as "new industry"); and

4.Prospects with regard to the demand and supply situation of the elements of corporate activity such as technology, human resources, and sites.

(3) When the Minister of Commerce, Industry and Energy formulates the outlook for mid- to long-term development of the industry, his plan shall be submitted for deliberation by the Industrial Development Council, pursuant to the provisions of Article 36. The same shall apply to any modification of significant matters as determined by the Presidential Decree.

Article 5 (Designation of Advanced Technology and Products)

(1) For the promotion of an advanced industrial structure in line with the mid- to long-term development outlook, the Minister of Commerce, Industry and Energy shall determine the scope of advanced technology and advanced products and make a public announcement thereof.

(2) The scope of advanced technologies and advanced products under paragraph (1) shall be determined to cover technologies and products whose level of technological intensity and speed of technological innovation are high, by taking into consideration the matters falling under any of the following subparagraphs:

1.Contribution to creating an advanced industrial structure;

2.Effect of creating new demands and added value; and

3.Effect of interconnecting industries.

Article 6 (Establishment of Policies for Promotion of Competitiveness by Each Industrial Sector)

(1) The Minister of Commerce, Industry and Energy may establish policies (hereinafter referred to as the "competitive policies") for the purpose of promoting the competitiveness of the industry by sectors in line with the plan for mid- to long-term development.

(2) In establishing the competitive policies, the following shall be included:

1.Current status of national competitiveness, and plans for its

strengthening;

2.Measures to secure smooth supply of elements of business activities such as technology, human resources, and sites; and

3.Plans for the promotion of internationalization and informatization

Article 7 (Stimulating Creation of New Industry)

(1) The Minister of Commerce, Industry and Energy shall establish policies to stimulate the introduction of new industries in line with the mid- to long-term development plan.

2) The following shall be included to stimulate the introduction of new industries:

1.Prospects for job creation;

2.Direction for development of new industry; and

3.Measures for sufficient supply of elements of business such as technology, human resource, and sites.

Article 8 (Plan for Development of Local Industry)

(1) The Special Metropolitan City Mayor, Metropolitan City Mayor, and Do governor (hereinafter referred to as "Mayor/Do governor") may formulate plans for industrial promotion for the region under their own jurisdiction (hereinafter referred to as "industrial promotion plan").

(2) The following shall be included in the industrial promotion plan:

1.The prospects for the development of the region under their jurisdiction and

2.Current state and measures for improvement of industrial basis of the region under their jurisdiction such as the site, technical expertise, transportation systems, industrial water facilities, and standard of informatization.

(3) The Minister of Commerce, Industry and Energy may establish policies to support the implementation of the industrial promotion plan established under paragraph (1).

(4) In the formulation of the policies under paragraph (3), the following matters shall be considered:

1.Advancement of industrial structure by region;

2.Current state of industrial foundation by region such as the site of industry, technical expertise, transportation systems, industrial water facilities, and standard of informatization; and

3.Measures to transfer headquarters of major groups of enterprises under Article 9 of the Monopoly Regulation and Fair Trade Act or industrial plants under subparagraph 1 of Article 2 of the Industrial Placement and Factory Construction Act (hereinafter referred to as "plants") from metropolitan areas (hereinafter referred to as "metropolitan area") to other areas.

Article 9 (Support for Small and Medium Industries Outside Metropolitan Areas)

(1) The Government may extend the necessary support to the following enterprises, plants, and facilities:

1.Small and medium enterprises or plants under Article 2 of the Framework Act on Small and Medium Enterprises established outside metropolitan areas; and

2.Work-related facilities or plants of an enterprise being transferred from metropolitan areas to other regions.

(2) The Government may provide preferential support to enterprises, plants, and facilities under one of the subparagraphs of paragraph (1) being established in regions with considerably low gross regional product, financial self-sufficiency, and population growth compared to other regions.

(3) The conditions for the determination of regions to which the provisions of paragraph (2) apply and the plants and work-related facilities under paragraph (1) 2 shall be determined by the Presidential Decree.

Article 10 (Policies to Encourage Business Specialization) The Minister of Commerce, Industry and Energy may establish policies to encourage specialization of businesses managed by enterprises as a measure of enhancing industrial competitiveness.

Article 11 (Stimulation of Intercorporate Cooperation)

(1) The Minister of Commerce, Industry and Energy may extend necessary support when an enterprise conducts a business falling under one of the following subparagraphs as a measure of enhancing industrial competitiveness through intercorporate cooperation:

1.Business for standardizing or sharing of parts;

2.Business for the development of technology or trademarks jointly; and

3.Business for joint management of factors such as technology and manpower through intercorporate cooperation.

(2) The Minister of Commerce, Industry and Energy shall consult the Fair Trade Commission when a business which he intends to support under paragraph (1) corresponds to an unfair corporate joint activity under Article 19 of the Monopoly Regulation and Fair Trade Act.

(3) The Minister of Commerce, Industry and Energy may extend the necessary support to corporations or organizations among those determined by the Presidential Decree which conduct businesses falling under each of the following subparagraphs to efficiently conduct their businesses as a measure to stimulate intercorporate cooperation:

1.Intercorporate mediation; and

2.Provision of information for intercorporate cooperation.

Article 12 (Promotion and Development of Managerial Resources) The Government may extend the necessary support for the enhancement of managerial capacity of enterprises such as the development of human resources.

Article 13 (Support for Change of Business)

(1) The Government may extend the necessary support for the following businesses to enhance the utilization of idle managerial resources resulting from such processes as changes of business determined by the Presidential Decree:

1.Projects for the disposition of idle facilities such as selling of idle facilities and removal of security; and

2.Projects for employment stability such as job retraining programs and job mediation centers; and

3.Projects for utilization of idle managerial resources such as transfer of technology and succession of workers.

(2) The Minister of Commerce, Industry and Energy may extend the necessary support to the businesses under each of the following so that corporations and organizations determined by the Presidential Decree may efficiently operate their businesses as a measure to boost the trading of idle resources:

1.Mediation of intercorporate trading of idle resources; and

2.Business necessary for active trading of idle resources such as information provision with regard to purchase and sale of idle resources.

CHAPTER III SPECIALIZED RESTRUCTURING COMPANY

Article 14 (Registration of Specialized Restructuring Company)

(1) From among businesses under each of the following subparagraphs, a company which manages two businesses or more including those under subparagraphs 2 and 3 shall register with the Minister of Commerce, Industry and Energy if it intends to receive the support under this Act: <Amended by Act No. 6073, Dec. 31, 1999

1.Investment in an enterprise subject to restructuring;

2.Acquisition of an enterprise subject to restructuring;

3.Sale or normalization of an enterprise subject to restructuring which are acquired under paragraph (2);

4.Purchase of assets or businesses sold by an enterprise subject to restructuring;

5.Purchase of bad loans (hereinafter referred to as the "bad loans") under subparagraph 2 of Article 2 of the Act on the Efficient Disposal of Insolvent Assets, etc. of Financial Institutions and the Establishment of Korea Assets Management Corporation, which are held by any financial institution or the Korea Asset Management Corporation established under the said Act;

6.Management and operation of funds of the Corporate Restructuring Cooperative;

7.Vicarious work of procedures such as filing for composition, corporate reorganization, and bankruptcy;

8.Mediation of intercorporate merger and acquisition; and

9.Any business supplementary to businesses under subparagraphs 1 through 8

(2) From among small and medium enterprise establishment investment companies registered with the Small and Medium Business Administration under Article 7 (1) of the Support for Small and Medium Enterprise Establishment Act and the new technology finance businessmen registered with the Ministry of Finance and Economy under Article 3 (1) of the Specialized Credit Financial Business Act, any person, who intends to manage two or more businesses in addition including the businesses under subparagraphs 2 and 3 from among subparagraphs of paragraph (1), may apply for registration to the Minister of Commerce, Industry and Energy, notwithstanding the provisions of paragraph (1). <Amended by Act No. 6194, Jan. 21, 2000>

(3) If a person who applies for the registration under paragraphs (1) and (2) meets such requirements as prescribed by the Presidential Decree, the

Minister of Commerce, Industry and Energy shall, without delay, register that person as a specialized restructuring company and notify him of the fact of such registration.

(4) The term "enterprise subject to restructuring" means an enterprise which carries out any business other than the financial business and the insurance business and which falls under any of the following subparagraphs: <Amended by Act No. 6143, Jan. 12, 2000>

1.The enterprise which has been banned from transaction once or more in the last three years by the clearing house designated under Article 83 of the Bills of Exchange and Promissory Notes Act;

2.The enterprise which has applied for bankruptcy at the court under Article 122 (1) or 123 (1) of the Bankruptcy Act or the commencement of reorganization process under Article 30 of the Company Reorganization Act, or the commencement of composition under Article 13 of the Composition Act;

3.The enterprise which concludes and manages the delegation contract of an enterprise concerned and its management in order to have the dishonored debentures from the enterprise concerned settled;

4.The enterprise recognized by an organization composed of financial institutions with dishonored debentures from the concerned enterprise as an enterprise which requires normalization; and

5.The enterprise which meets the conditions as determined by the Presidential Decree and which requires normalization of management or improvement of financial structure through such means as transfer of business, merger, and sale of assets (hereinafter referred to as "restructuring").

(5) When a specialized restructuring company registered under the provisions of paragraphs (1) and (2), (hereinafter referred to as a "specialized company") acquires or merges with an enterprise subject to restructuring or purchases any of its assets or businesses, the following methods shall be used:

1.Purchase of assets or acquisition of managerial right of an enterprise subject to restructuring through acquiring the stocks of that enterprise, by a specialized company; and

2.Having a subsidiary company (referring to enterprises the managerial right of which is being exercised by the specialized company through purchase of stocks or quotas) merge with an enterprise subject to restructuring or purchase assets or businesses of that enterprise.

(6) The normalization operation of an enterprise subject to restructuring under paragraph (1) 3 by the specialized company shall involve work such as

changes of staff, introduction of technology, and adjustment of organization and human resources to ultimately enhance the asset value and managerial capacity of that enterprise.

(7) The specialized company shall use an amount exceeding any such ratio as prescribed by the Presidential Decree for any business under paragraph (1) 2 and 3 within the limit of 1/2 of its paid-up capital from the date on which two years elapse after its registration. <Newly Inserted by Act No. 6143, Jan. 12, 2000>

Article 15 (Registration, etc. of Enterprise Restructuring Association)

(1) If a specialized company and any person other than itself intend to establish an enterprise restructuring association to invest in and take over an enterprise subject to restructuring, they shall apply for their registration to the Financial Supervisory Commission.

(2) If an enterprise restructuring association, which applies for its registration under paragraph (1), meets such requirements as prescribed by the Presidential Decree, the Financial Supervisory Commission shall, without delay, register it and notify it of the fact of such registration.

(3) A specialized company shall publicly announce such matters as prescribed in any of the following subparagraphs, if it intends to establish an enterprise restructuring association:

1.Outlines of business;

2.Investment plan;

3.Plan for the allotment of revenues; and

4.Other such matters as deemed necessary by the Financial Supervisory Commission.

(4) Any such enterprise restructuring association as registered under paragraph (2) above (hereinafter referred to as the "association"), shall not use funds invested therein for any purpose other than that of the business under Article 14 (1) 1 through 5: Provided, That this shall not apply in case that there exists any such reason as prescribed by the Presidential Decree, including the business indispensably incidental to any other business under Article 14 (1) 1 through 5.

(5) The association shall use an amount exceeding the ratio as prescribed by the Presidential Decree within the limit of 1/2 of funds invested therein for any business under Article 14 (1) 2 and 3 from the date on which two years elapse after its registration.

(6) A specialized company shall, with such due care as required of any reasonable or good administrator under the same or similar circumstances, manage funds invested in the association for investors' interests, and shall not borrow other funds, guarantee any payment or provide any security in carrying out the business of the association.

(7) Necessary matters concerning the organization and operation of the association shall be prescribed by the Presidential Decree.

[This Article Wholly Amended by Act No. 6143, Jan. 12, 2000]

Article 15-2 (Investment of Fund in Association)

(1) Any person who manages the Fund as referred to in any of the following subparagraphs (hereafter referred to as the "Fund manager" in this Article) may invest funds not exceeding the ratio as prescribed by the Presidential Decree in the association according to a Fund operation plan:

1.The Public Fund which is established under subparagraph 1 of Article 2 of the Framework Act on Fund Management and which is prescribed by the Presidential Decree; and

2.Any other Fund of which establishment purpose is similar to that of the Public Fund as referred to in subparagraph 1 above and which is prescribed by the Presidential Decree.

(2) Any such investment in the association, as made by the Fund manager according to the Fund operation plan, shall be deemed to be authorized, permitted and approved under any relevant Act.

[This Article Newly Inserted by Act No. 6143, Jan. 12, 2000]

Article 15-3 (Special Case for Foreigner's Investment) Any such investment in the association, as made by a foreigner under Article 2 (1) 1 of the Foreign Investment Promotion Act, shall be deemed to be the foreign investment as prescribed in Article 2 (1) 4 of the same Act.

[This Article Newly Inserted by Act No. 6143, Jan. 12, 2000]

Article 16 (Prohibition of Use of Same Name) No party other than a specialized company or an association shall use the name of the specialized company or restructuring association.

Article 17 (Limit on Acquisition of Specialized Company)

(1) No specialized company shall take over (hereinafter referred to as "acquisition") the assets or businesses of an enterprise subject to restructuring which is in a special relation with the specialized company (hereinafter referred to as "special relation"), acquire it, or merge with it.

(2) No specialized company shall sell an enterprise subject to restructuring which it has acquired to the party with special relation.

(3) A specialized company shall not invest an amount exceeding the ratio as prescribed by the Presidential Decree out of the gross amount of its assets in an enterprise subject to restructuring which has any special relation. <Amended by Act No. 6143, Jan. 12, 2000>

(4) A specialized company shall, if it takes over enterprises subject to restructuring, merges its subsidiary as referred to in Article 14 (5) 2 with those enterprises or purchases their businesses or assets, sell the said enterprises or its subsidiary within 5 years from the date of such takeover, merger and purchase: Provided, That in a case where it is difficult for the specialized company to sell the said enterprises or its subsidiary and where it is deemed that there exists any such reason as prescribed by the Presidential Decree, the Minister of Commerce, Industry and Energy may extend any period of time of the sale of the enterprises and subsidiary to the extent of one year. <Newly Inserted by Act No. 6143, Jan. 12, 2000>

Article 18 (Supervision, etc.)

(1) Specialized companies shall submit the closing statements of every fiscal year to the Minister of Commerce, Industry and Energy in accordance with the Presidential Decree.

(2) Specialized companies shall, if they establishes the association, submit its business reports and closing statements of every fiscal year to the Financial Supervisory Commission in accordance with the Presidential Decree.

(3) The Financial Supervisory Commission may, if deemed necessary for the protection of persons who invest in the association, require specialized companies establishing it as well as it to submit the materials related to their business or give necessary orders including corrective measures and

have the Governor of the Financial Supervisory Service as referred to in Article 24 of the Act on the Establishment, etc. of Financial Supervisory Organizations inspect their business

[This Article Wholly Amended by Act No. 6143, Jan. 12, 2000]

Article 19 (Special Case concerning Specialized Company)

(1) When a specialized company corresponds to a stock company under subparagraph 1-2 of Article 2 of the Monopoly Regulation and Fair Trade Act, the provisions of Article 8-2 (1) 1 and 2 of the said Act shall not apply.

(2) Specialized companies may issue corporate debentures within the scope of ten times the sum of reserves and capital, notwithstanding the provisions of Article 470 of the Commercial Act.

Article 20 (Revocation of Registration)

(1) If a specialized company falls under any of the following subparagraphs, the Minister of Commerce, Industry and Energy may revoke its registration: Provided, That if the specialized company falls under subparagraph 1 of this paragraph or if that specialized company, which falls under any such stock company as referred to in subparagraph 1-2 of Article 2 of the Monopoly Regulation and Fair Trade Act, falls under subparagraph 5 of this paragraph as well, its registration shall be revoked:

1.In case the specialized company makes the registration under Article 14 (1 by any deceit or other wrongful means;

2.In case the specialized company fails to meet the registration requirements under Article 14 (3);

3.In case the specialized company violates the provisions of Article 14 (7);

4. In case the specialized company violates the provisions of Article 15 (6);

5.In case the specialized company violates the provisions of Article 17;

6.In case the specialized company fails to submit closing statements under Article 18 (1) or submits false closing statements; and

7.In case the Financial Supervisory Commission makes a request for the revocation of the registration of the specialized company under paragraph (2).

(2) The Financial Supervisory Commission may, if the association falls under any of the following subparagraphs, revoke its registration and request the Minister of Commerce, Industry and Energy to revoke the registration of a

specialized company which has established the said association:

1.In case the association makes the registration under Article 15 (1) by any deceit or other wrongful means

2.In case the association fails to meet the registration requirements under Article 15 (2);

3.In case the association violates the provisions of Article 15 (4) or (5);

4.In case the association fails to submit the business reports or closing statements under Article 18 (2) or submit the false business reports or closing statements; and

5.In case the association fails to fulfill such orders as given by the Financial Supervisory Commission under Article 18 (3).

(3) If the Minister of Commerce, Industry and Energy and the Financial Supervisory Commission intend to revoke the registration of a specialized company or the association under paragraph (1) or (2), they shall hold a hearing.

[This Article Wholly Amended by Act No. 6143, Jan. 12, 2000]

Article 21 (Support for Promotion of Restructuring of Enterprise) The Minister of Commerce, Industry and Energy may provide necessary support for corporations or organizations conducting any of the businesses which are determined by the Presidential Decree and which fall under the following subparagraphs to add efficiency in the operation of their businesses:

1.Mediation of intercorporate merger and acquisition;

2.Mediation of joint management of technology and human resources;

3.Provision of information concerning the sale of production facilities and immovables; and

4.Consultation and guidance with regard to the restructuring supporting system.

CHAPTER IV ENHANCEMENT OF INDUSTRIAL TECHNOLOGY AND PRODUCTIVITY

Article 22 (Encouragement of Improvement of Industrial Technology and Productivity) The Minister of Commerce, Industry and Energy shall encourage the entrepreneur (hereinafter referred to as "entrepreneur") to conduct activities which fall under each of the following subparagraphs in order to encourage the improvement of industrial technology and productivity: <Amended by Act No. 6143, Jan. 12, 2000>

1.Establishment and operation of organizations related to research and development and improvement in productivity of the enterprises;
2.Establishment and operation of a specialized production technology institute pursuant to the Act on the Establishment of Industrial Technology Foundation, and an industrial technology research association pursuant to the Act on the Support of the Industrial Technology Research Cooperatives;
3.Participation in projects conducted by the Korea Productivity Center established under Article 27 of this Act, specific research institutions established under the Support of Specific Research Institutions Act, and government-invested research institutions established under the Act on the Establishment, Operation and Fosterage of GovernmentInvested Research Institutions, etc.;
4.Active participation in projects designed to create the infrastructure of technology pursuant to the Act on the Establishment of Industrial Technology Foundation and projects designed to develop the technological foundation of industry pursuant to Article 24 of this Act;
5.Promotion and expansion of investment in research and development; and
6.Introduction of advanced foreign technology.

Article 23 (Plan for Development of Technological Foundation of Industry)

(1) The Minster of Commerce, Industry and Energy shall establish a five year plan to efficiently develop the technology essential for industrial development, which falls under the following subparagraphs (hereinafter referred to as the "plan for development of technological foundation of industry"):
1.A technology which solves a common bottleneck in the industrial sector;
2.Technology of core materials and components necessary for improving the technological capabilities of industry;
3.Engineering and system technology required for concentration of core technology;
4.Technology having high demand for development such as energy and resource technology and industrial technology related to advanced machines; and
5. Other technology in need of preferential development of improvement of industrial technology.
(2) The plan for development of technological foundation of industry shall include the matters which fall under each of following subparagraphs:
1.Matters concerning technology development and technology inducement for

improving industrial technology

2.Matters concerning investigation of prospects for technological development such as drawing up of a schematic diagram of the technical system;

3.Matters concerning investigation of the demand for technological development, and evaluation of the level of industrial technology;

4.Matters concerning development of joint research with foreign governments, international organizations, and foreign technology-related organizations;

5.Matters concerning the practical use of developed technology; and

6.Other matters required to efficiently implement the development of technology falling under any subparagraph of paragraph (1).

(3) The Minister of Commerce, Industry and Energy shall submit the plan for deliberation by the National Science and Technology Commission under Article 4 of the Special Act on Renovation of Science and Technology and the deliberative committee determined by the Presidential Decree (hereinafter referred to as "deliberative committee") in formulating the plan. The same shall apply to any modification of matters determined by the Presidential Decree.

(4) The Minister of Information and Communication shall formulate an implementation plan for the plan for development of technological foundation of industry every year through deliberation of the deliberative committee, and make a public announcement thereof.

Article 24 (Project for Development of Technological Foundation of Industry)

(1) The Minister of Commerce, Industry and Energy may have the institutions, organizations, and entrepreneurs falling under any one of the following subparagraphs implement the project of technological foundation development for industry (hereinafter referred to as the "project for development of technological foundation of industry") after consultation with the head of the central administrative agency concerned pursuant to the Presidential Decree in order to efficiently implement the plan for development of technological foundation of industry: <Amended by Act No. 6143, Jan. 12, 2000>

1.A national or public research institute;

2.A specific research institution established under the Support of Specific Research Institutions Act and a government-invested research institution established under the Act on the Establishment, Operation and Fosterage of Government-Invested Research Institutions, etc.;

3.An industrial technology research association under the Act on the Support of the Industrial Technology Research Cooperatives;
4.A university, an open university, junior college, and a technical college under the Higher Education Act;
5.A specialized production technology institute under the Act on the Establishment of Industrial Technology Foundation;
6.The Korea Institute of Industrial Design Promotion and companies specialized in the industrial design under the Industrial Design Promotion Act;
7.The Korea Institute of Industry and Technology Information under the Act on the Korea Institute of Industry and Technology Information;
8.The Korea Productivity Center pursuant to the provisions of Article 27; and
9.Other corporation, organization, or entrepreneur designated by the Presidential Decree where it is deemed necessary for promoting the development of industrial technology.

(2) The Minister of Commerce, Industry and Energy may contribute the funds needed to implement the project for development of technological foundation of industry as prescribed in paragraph (1).

(3) The necessary matters concerning details such as the payment, use, and management of the contribution under paragraph (2) shall be prescribed by the Presidential Decree.

Article 25 (Financial Support for Advanced Technology Development Projects) The Government may provide the supporting funds necessary for projects which fall under each of the following subparagraphs for the purpose of promoting the development of technology within the limit of the budget:
1.Projects for the development of advanced technology and advanced products pursuant to the provisions of Article 5 (1);
2.Projects for the development of prototypes of capital goods;
3.Follow-up development projects covering the project for the development of technological foundation of industry; and
4.Other projects for the development of technology determined by the Presidential Decree for the purpose of promoting an advanced industrial structure and the balanced growth of industry

Article 26 (Commercialization of Developed Technology)

(1) The Government shall devise a policy necessary for fostering the entrepreneurs to commercialize new technologies developed or the investors who invest capital in business of such entrepreneur, as their main

businesses.

(2) The Minister of Commerce, Industry and Energy may, for the purpose of promoting the commercialization of developed technology, conduct the projects which fall under each of the following subparagraphs, pursuant to the provisions of the Presidential Decree:

1.Fostering of agencies specialized in supporting such commercialization;

2.Sales promotions of products made by such commercialization; and

3.Other businesses determined by the Presidential Decree to stimulate the commercialization of the technology developed.

Article 27 (Korea Productivity Center)

(1) The Korea Productivity Center shall be established in order to efficiently and systematically carry out the improvement in industrial productivity.

(2) The Korea Productivity Center shall be in the form of a corporation

(3) The Korea Productivity Center shall be formed by registration of incorporation at the seat of its principal office.

(4) The Korea Productivity Center may have branch offices at the necessary places at home and abroad pursuant to the articles of incorporation.

(5) In order to improve productivity, the Korea Productivity Center shall implement projects which fall under each of the following subparagraphs:

1.Projects for business consultation and guidance;

2.Projects for education and training;

3.Projects for research and investigation;

4.Projects for development and dissemination of technical know-how to improve the productivity such as automation and informatization;

5.Projects entrusted by the Minister of Commerce, Industry and Energy for the purpose of improving productivity; and

6.Other projects as referred to in the articles of incorporation governing the Korea Productivity Center.

(6) The Korea Productivity Center may, upon approval of the Minister of Commerce, Industry and Energy, maintain a business for profit in order to meet the expenses necessary for purposes under paragraph (1).

(7) No other party than the Korea Productivity Center shall use the same or similar name of the Korea Productivity Center.

(8) With regard to the Korea Productivity Center, the provisions of the Civil Act concerning incorporated foundation shall apply mutatis mutandis, except for matters provided for in this Act.

CHAPTER V INDUSTRIAL FOUNDATION FUND

Article 28 (Establishment of Industrial Foundation Fund) The Government shall establish an Industrial Foundation Fund (hereinafter referred to as the "Fund") in order to secure financial resources necessary for promoting the balanced development of industry and for the establishment of the industrial foundation.

Article 29 (Composition of Fund)

(1) The Fund shall be financed by each of the following subparagraphs:
1.Government contributions or loans;
2.Contributions by the entrepreneurs or a group of entrepreneurs under Article 38
3.Proceeds accruing from the operation of the Fund; and
4.Other revenues determined by the Presidential Decree.
(2) In addition to the financial resources under paragraph (1), the Government may obtain domestic and foreign loans and lend them to the Fund.

Article 30 (Operation and Management of Fund)

(1) The Fund shall be operated and managed by the Minister of Commerce, Industry and Energy.
(2) Matters necessary for the operation, management, and separate accounting of the Fund shall be determined by the Presidential Decree.

Article 31 (Use of Fund) The Fund shall be used for the projects which fall under the following subparagraphs:
1.Projects for enhancement of industrial productivity and higher added value;
2. Projects for creation of an industrial foundation such as site, logistics, distribution, and informatization;
3.Projects for creation of an environment-friendly industrial structure;
4. Projects for the establishment of policies necessary for promotion of competitiveness; and
5.Other projects for the establishment of policies necessary for the efficient structure of industry.

CHAPTER VI PROMOTION OF INTERNATIONAL INDUSTRIAL

COOPERATION

Article 32 (Policy for Promotion of International Industrial Cooperation)

(1) The Minister of Commerce, Industry and Energy may establish policies for the promotion of industrial cooperation with foreign countries for the development of domestic industry.

(2) The following shall be included in the policy under paragraph (1):

1.Basic direction of international industrial cooperation;

2.Means of implementing international industrial cooperation; and

3.Cooperation between the private and public sectors in the promotion of international industrial cooperation.

(3) The Minister of Commerce, Industry and Energy may request the necessary documents for the establishment of policies under paragraph (1) to the heads of research institutions, industrial and technology-related organizations, and the central administrative agencies.

Article 33 (Operation of Industrial Consultative Organization

(1) The Minister of Commerce, Industry and Energy may take measures to increase cooperation in the industrial sector such as operating industrial consultative organizations with foreign countries for the development of the domestic industry.

(2) The Government may provide the support necessary for the sound operation of the industrial consultative organization.

Article 34 (Support for Private Industrial Cooperation) The Minister of Commerce, Industry and Energy may provide the necessary support such as the collection and provision of related information when any domestic enterprise, university under the Higher Education Act, or organizations related to industry and technology conduct with foreign agencies and organizations the industrial cooperative activities as determined by the Presidential Decree.

Article 35 (Utilization of Private Experts)

(1) The Minister of Commerce, Industry and Energy may employ experts from the private sector from the relevant fields or regions to promote international industrial cooperation.

(2) The Government may support the expenses such as travelling expenses under the conditions as prescribed by the Presidential Decree for the domestic and

international activities of the private sector expert under paragraph (1).

CHAPTER VII INDUSTRIAL DEVELOPMENT DELIBERATIVE COMMITTEE

Article 36 (Establishment of Industrial Development Deliberative Committee)

(1) An Industrial Development Deliberative Committee (hereinafter referred to as the "Committee") shall be established in the Ministry of Commerce, Industry and Energy for the purpose of investigating, researching, and deliberating important matters concerning industrial development and responding to any inquiry of the Minister of Commerce, Industry and Energy.
(2) The members of the Committee shall be appointed by the Minister of Commerce, Industry and Energy from among persons having extensive knowledge and experience in industry: Provided, That public officials shall not be appointed as members of the Committee except in cases as determined by the Presidential Decree.
(3) Matters necessary for the organization and operation of the Committee shall be determined by the Presidential Decree.

Article 37 (Establishment of Subcommittee

(1) When the Minister of Commerce, Industry and Energy deems it necessary for the research, investigation, and deliberation of matters in specific fields, he may establish the subcommittee of the Committee under the conditions as prescribed by the Presidential Decree.

(2) Matters necessary for the organization and operation of the subcommittee shall be determined by the Presidential Decree.

CHAPTER VIII GROUP OF ENTREPRENEURS

Article 38 (Group of Entrepreneurs)

(1) Entrepreneurs may establish a group of entrepreneurs by industry (hereinafter referred to as the "group of entrepreneurs") with the authorization of the Minister of Commerce, Industry and Energy pursuant to the Presidential Decree.

(2) The group of entrepreneurs shall be in the form of a corporation.
(3) Details to be recorded in the articles of incorporation and necessary matters concerning management and supervision of the group of entrepreneurs shall be prescribed by the Presidential Decree.
(4) With regard to the group of entrepreneurs, the provisions of the Civil Act concerning the incorporated foundation shall apply mutatis mutandis except for the matters prescribed by this Act.

Article 39 (Projects) In order to develop related industry, the group of entrepreneurs shall implement the projects which fall under each of the following subparagraphs:
1.Projects for investigation and research concerning the direction of development;
2.Projects for increase of profit;
3.Projects for the improvement of industrial competitiveness;
4.Projects for support for the Committee and subcommittee under Article 37 (1);
5.Projects entrusted by the Minister of Commerce, Industry and Energy for development of a related industry; and
6.Other projects as referred to in the articles of incorporation governing the group of entrepreneurs.

Article 40 (Mutual Aid Organization)

(1) Entrepreneurs may establish a mutual aid organization falling under one of following subparagraphs with the authorization of the Minister of Commerce, Industry and Energy pursuant to the Presidential Decree:
1.A mutual aid organization of machinery for the purpose of quality guarantee and warranty of machinery; and
2.A mutual aid organization of shipbuilding for the purpose of compensation for losses sustained by a ship due to an accident occurring during shipbuilding or before delivery.
(2) A mutual aid organization shall be in the form of a corporation.
(3) Details to be recorded in the articles of incorporation and necessary matters concerning management and supervision of the mutual aid organization shall be prescribed by the Presidential Decree.
(4) With regard to the mutual aid organization, the provisions of the Civil Act concerning incorporated associations shall apply mutatis mutandis except

for matters prescribed by this Act.

CHAPTER IX SUPPLEMENTARY PROVISIONS

Article 41 (Submission of Documents) The Minister of Commerce, Industry and Energy may request the party conducting the projects for the development of technological foundation of industry, the Korea Productivity Center, and a corporation, group of entrepreneurs, and mutual aid organization determined by the Presidential Decree to submit the data on their business where necessary for the enforcement of this Act.

Article 42 (Delegation or Entrustment of Power)

(1) A part of the power of the Minister of Commerce, Industry and Energy as prescribed by this Act may, in accordance with the Presidential Decree, be delegated to the head of an agency under his control, the Administrator of the Small and Medium Business Administration, or the Mayor/Do governor. <Amended by Act No. 6143, Jan. 12, 2000>

(2) The power of the Minister of Commerce, Industry and Energy under this Act to conduct the following work may be delegated to the Korea Productivity Center, group of entrepreneurs, corporations or organizations determined by the Presidential Decree under the conditions as prescribed by the Presidential Decree:

1.Work related to enhancement of productivity under the provisions of Article 27 (5) 5; and

2.Work related to operation and management of the Fund under Article 30 (1).

Article 43 (Fiction of Public Officials in Application of Penal Provisions) The staff and employees working in the Korea Productivity Center, group of entrepreneurs, corporations and organizations determined by the Presidential Decree working for the undertakings delegated by the Minister of Commerce, Industry and Energy under the provisions of Article 42 (2) shall be deemed as public officials in the application of Articles 129 through 132 of the Criminal Act.

Article 44 (Fine for Negligence)

(1) A person who has not submitted the data under Article 41 or has submitted

false data shall be punished by fine for negligence not exceeding twenty million won.

(2) A person who falls under one of the following shall be punished by fine for negligence not exceeding five million won:

1.A person who used the same or similar name as that of the specialized restructuring company or the corporate restructuring cooperative in contravention of the provisions of Article 16; and

2.A person who has used the same or similar name as that of the Korea Productivity Center in contravention of the provisions of Article 27 (7).

(3) The fine for negligence referred to in paragraphs (1) and (2) shall be imposed and collected by the Minister of Commerce, Industry and Energy as prescribed by the Presidential Decree.

(4) A person who has an objection against the disposition of the fine for negligence under paragraph (3) may appeal to the Minister of Commerce, Industry and Energy within 30 days from the date on which the said disposition becomes known to him.

(5) In case the person having been notified of the disposition of the fine for negligence under paragraph (3) files an appeal under paragraph (4), the Minister of Commerce, Industry and Energy shall promptly notify the competent court thereof, and the competent court which has received such notification shall pass judgement on the fine for negligence under the Non-Contentious Case Litigation Procedure Act.

(6) In case a person has failed to file an appeal within the period prescribed by paragraph (4) and also failed to pay the fine for negligence such fine shall be collected in such a manner as a disposition on national taxes in arrears.

ADDENDA

Article 1 (Enforcement Date) This Act shall enter into force three months after its promulgation.

Article 2 (Repeal of Other Acts) The previous Industrial Development Act shall be repealed.

Article 3 (Duration of Effect)

(1) The provisions of Article 14 (1) with regard to the registration of a

specialized firm shall be effective for five years after the date of the enforcement of this Act.

(2) The provisions of Article 14 (1) shall become ineffective if the effective date under paragraph (1) is not extended through request for deliberation under Article 8 (3) of the Framework Act on Administrative Regulations, or the provisions of Article 14 (1) are not amended on or before the date five years after the enforcement of this Act.

Article 4 (Transitional Measures concerning Scope of Advanced Technology and Advanced Products) At the time of the enforcement of this Act, the scope of advanced technology or products publicly announced under the provisions of

Article 3-2 (4) of the previous Industrial Development Act shall be deemed as those announced under the provisions of Article 5 (1).

Article 5 (Transitional Measures concerning Industrial Basic Technology Development Plan)

(1) The industrial basic technology plan publicly announced under the provisions of Article 12 of the previous Industrial Development Act at the time of the enforcement of this Act shall be deemed as the implementation plan for the plan for the development of technological foundation of industry under the provisions of Article 23 (4).

(2) The industrial basic technology development project under Article 13 of the previous Industrial Development Act at the time of the enforcement of this Act shall be deemed as the project for development of technological foundation of industry under the provisions of Article 24.

Article 6 (Transitional Measures concerning Funds Provided for Development of Advanced Technology) The funds provided for development of advanced technology under the provisions of Article 14 of the previous Industrial Development Act at the time of the enforcement of this Act shall be deemed as funds provided under Article 25.

Article 7 (Transitional Measures concerning Korea Productivity Center) The Korea Productivity Center established under Article 16 of the previous Industrial Development Act shall be deemed as established under Article 27 at the time of the enforcement of this Act.

Article 8 (Transitional Measures concerning Industrial Development Foundation Fund) The Fund established under the provisions of Article 17 of the previous Industrial Development Act at the time of the enforcement of this Act shall be deemed as established under the provisions of Article 28.

Article 9 (Transitional Measures concerning Group of Entrepreneurs)

(1) The group of entrepreneurs established under the provision s of Article 23 of the previous Industrial Development Act shall be deemed as established under Article 38 at the time of the enforcement of this Act.
(2) The Mutual Aid Organization established under the provisions of Article 25 of the previous Industrial Development Act shall be deemed as established under the provisions of Article 40.

Article 10 Omitted.

ADDENDA <Act No. 6073, Dec. 31, 1999>

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

Articles 2 and 3 Omitted.

ADDENDA <Act No. 6143, Jan. 12, 2000>

(1) (Enforcement Date) This Act shall enter into force three months after the date of its promulgation.

(2) (Transitional Measures concerning Change of Registration Authority of Association) At the time when this Act enters into force, any person who makes any registration of the association or an application therefor to the Minister of Commerce, Industry and Energy under previous provisions shall be deemed to do so to the Financial Supervisory Commission under the amended provisions of Article 15.

ADDENDA <Act No. 6194, Jan. 21, 2000>

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

Articles 2 through 4 Omitted

CORPORATE RESTRUCTURING INVESTMENT COMPANY ACT

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose) The purpose of this Act is to smoothly facilitate the corporate restructuring by prescribing matters necessary to run corporate restructuring investment companies incorporated to normalize the management of companies which are considered viable despite their worsened financial positions and to efficiently clean up credits held by financial institutions to such companies.

Article 2 (Definitions) The definitions of terms used in this Act shall be as follows:

1.The term "creditor financial institution" means a person who holds credits to companies contracted for corporate restructuring and falls under any of the following items:
(a) Any financial institution that has been granted authorization under the Banking Act (including any person who is deemed a financial institution under Articles 5 and 59 of the same Act);
(b) The Korea Development Bank established under the Korea Development Bank Act;
(c) The Export-Import Bank established under the Korea Development Bank Act;
(d) The Industrial Bank of Korea established under the Industrial Bank of Korea Act;
(e) The Long-Term Credit Bank established under the Long-Term Credit Bank Act;
(f) Any securities company or investment advisory company incorporated under the Securities and Exchange Act:
(g) Any management company incorporated under the Securities Investment Trust Business Act;
(h) Any insurer licensed under the Insurance Business Act;
(i) Any trust company incorporated under the Trust Act;
(j) Any finance company specializing in credits incorporated under the Specialized Credit Financial Business Act;
(k) Any mutual savings and financial company incorporated under the Mutual Savings and Financial Act;
(l) Any merchant bank set up under the Merchant Banks Act;
(m) The Korea Assets Management Corporation set up under the Act on the Efficient Disposal of Insolvent Assets, etc. of Financial Institutions and the Establishment of Korea Assets Management Corporation; and
(n) Any other person who runs the banking business under applicable Acts and is prescribed by the Presidential Decree;
2.The term "company contracted for corporate restructuring" means a company which is considered viable despite its worsened financial position. Such company is in fact striving to put its management back on track by preparing

a plan for improving its business performance and entering a contract with creditor financial institutions for improving its business performance through the process of negotiations and adjustments with such creditor financial institutions (including any domestic corporation under Article 45 (1) of the Restriction of Special Taxation Act);
3.The term "corporate restructuring investment company" means a company incorporated under this Act to operate its assets by investing in companies contracted for corporate restructuring and purchasing assets contracted for corporate restructuring with the aim of normalizing the management of such companies and to distribute revenues therefrom to its stockholders;
4.The term "assets management company" means a person who is entrusted by a corporate restructuring investment company with the business of managing, operating and disposing of assets of the latter and is registered with the Financial Supervisory Commission in accordance with the provisions of Article 42 (1);
5.The term "assets custody company" means a person who is entrusted by a corporate restructuring investment company with the business of having the custody of assets of the latter and other related business, and is prescribed in Article 50 (2);
6.The term "company entrusted with general administrative affairs" means a person who is entrusted by a corporate restructuring investment company with the performance of general administrative affairs with respect to the operation of the latter and is prescribed in Article 52 (2);
7.The term "securities, etc." means what falls under any of the following items: and
(a) Securities under Article 2 (1) of the Securities and Exchange Act;
(b) Bills or bonds issued, sold or brokered by such financial institutions as prescribed by the Presidential Decree; and
(c) What is prescribed by the Presidential Decree from among securities denominated in foreign currency under the Foreign Exchange Transactions Act;
8.The term "assets contracted for corporate restructuring" means assets falling under any of the following items:
(a) Securities, etc. issued by any company contracted for corporate restructuring and held by financial institutions, and security rights related thereto; and
(b) Claims on credits, financial claims and security rights related thereto held by financial institutions to a company contracted for corporate restructuring, which have entered into a contract with such company for improving its business performance.

CHAPTER II CORPORATE RESTRUCTURING INVESTMENT COMPANY

SECTION 1 INCORPORATION AND REGISTRATION

Article 3 (Incorporation Method and Duration)

(1) Every corporate restructuring investment company shall be incorporated by promoters.
(2) The duration of any corporate restructuring investment company shall be not more than 5 years. Where the need exists for extending such duration and a resolution to that effect is adopted at a general meeting of stockholders of such corporate restructuring investment company, the duration may be extended within the limit of one year.

Article 4 (Promoters)

(1) Promoters of a corporate restructuring investment company shall be not less than 3 persons, but not less than 2 persons from creditor financial institutions shall be included in such promoters.
(2) A person falling under any of the following subparagraphs shall be prohibited from becoming a promoter:
1.A minor, a person of incompetence or a person of quasi-incompetence;
2.A bankrupt who has yet to be reinstated;
3.A person who has been sentenced to imprisonment without prison labor or a heavier punishment or to a fine or a heavier punishment under this Act or such other finance-related Acts and subordinate statutes as prescribed by the Presidential Decree (including foreign Acts and subordinate statutes corresponding thereto; hereinafter the same shall apply) and for whom five years have yet to elapse from the date on which the execution of the sentence was terminated (including the case where the execution of the sentence is deemed to have been terminated);
4.A person who is in a stay period after having been sentenced to a stay of the execution of imprisonment without prison labor or a heavier punishment;
5.A person who worked as an officer or an employee of a corporation or a company whose business license, authorization or registration, etc. was revoked in accordance with this Act or such other finance-related Acts and subordinate statutes as prescribed by the Presidential Decree and for whom 5 years have yet to elapse from the date of revocation (limited to any person, prescribed by the Presidential Decree, who was directly or correspondingly responsible for the cause of revocation); and
6.A person who was dismissed or removed from office for a violation of this Act or such other finance-related Acts and subordinate statutes as prescribed by the Presidential Decree and for whom 5 years have yet to elapse from the date of such dismissal or removal.

Article 5 (Articles of Incorporation) Promoters who intend to incorporate a corporate restructuring investment company shall prepare the articles of incorporation listing matters falling under each of the following subparagraphs and subscribe their names and affix their seals to or sign the articles of incorporation:
1.Objective;
2.Firm name;

3.Total number of stocks to be issued;
4.Total number of stocks to be issued at the time of incorporation and their issue value;
5.Duration;
6.Basic direction toward operating assets;
7.Matters relating to appraisal of assets;
8.Matters relating to distribution of profits;
9.Location of company;
10.Method of publication;
11.Standards for remunerations for directors and auditor;
12.Outline of a contract on entrustment of assets operation which the corporate restructuring investment company intends to enter into with an assets management company (including standards for remunerations to be paid to such assets management company); and
13.Outline of a contract on entrustment of custody business which the corporate restructuring investment company intends to enter into with an assets custody company.

Article 6 (Incorporation Registration)

(1) The incorporation registration of any corporate restructuring investment company shall be made within two weeks from the date on which procedures as prescribed in Articles 299 and 300 of the Commercial Act were completed.
(2) Matters to be entered in the incorporation registration made in accordance with paragraph (1) shall be as follows:
1.Matters of subparagraphs 1 through 5, 9, and 10 of Article 5;
2.If the articles of incorporation stipulate the cause of dissolution, details thereof;
3.Names and resident registration numbers of directors and auditor; and
4.Names and domiciles of transfer agents.
(3) Where the incorporation registration is made in accordance with paragraph (1), documents prescribed by the Presidential Decree shall be appended.

Article 7 (Organization, etc.)

(1) Every corporate restructuring investment company shall be prohibited from setting up any office of business except for its principal office and hiring any employee or standing officer to work for such office of business.
(2) Every corporate restructuring investment company shall be subject to the application of the Commercial Act, except as specially provided for in this Act.

Article 8 (Registration of Corporate Restructuring Investment Company)

(1) Any corporate restructuring investment company shall, when it intends to run the business of each subparagraph of Article 11, register matters falling

under each of the following subparagraphs with the Financial Supervisory Commission:

1.Matters of subparagraphs 1 through 8 of Article 5;

2.Names and resident registration numbers of directors and an auditor;

3.A name of an assets management company and outline of a contract on entrustment of assets operation;

4.A name of an assets custody company and a name of a company entrusted with general administrative affairs; and

5.If the articles of incorporation stipulate dissolution, details thereof.

(2) Any corporate restructuring investment company shall, when it intends to make registration in accordance with paragraph (1), file with the Financial Supervisory Commission an application for registration, appended by documents falling under each of the following subparagraphs:

1.The articles of incorporation;

2.A certified copy of corporation register book;

3.Documents attesting the payment of shares; and

4.Copies of contracts on entrustment of business entered into with an assets management company, an assets custody company and a company entrusted with general administrative affairs.

Article 9 (Requirements for Corporate Restructuring Investment Company to Register)

(1) Any corporate restructuring investment company that intends to make registration in accordance with Article 8 (1) shall meet requirements falling under each of the following subparagraphs:

1.It is required to be a corporation incorporation set up under this Act;

2.The capital is required to be not less than 500 million won, the amount of which is not less than what is prescribed by the Presidential Decree, at the time that registration is filed;

3.Directors and an auditor are required not to fall under disqualifications described in Articles 4 (2) and 17 (2);

4.An assets management company, with which the corporate restructuring investment company has entered into a contract on entrustment of assets operation, is required to be a person consistent with Article 42 and not in a period of business suspension;

5.Contents of documents appended by a registration application are required not to be in contravention of this Act or orders issued by this Act; and

6.Documents appended by a registration application are required not to have false entries or omit the entry of the important fact.

(2) The Financial Supervisory Commission shall, when any corporate restructuring investment company, which has filed a registration application, is found to meet the registration requirements referred to in paragraph (1), enter its registration in the register book and promptly serve a notice thereof on such corporate restructuring investment company.

(3) The Financial Supervisory Commission may, where any corporate

restructuring investment company, which has filed a registration application, is found not to meet the registration requirements referred to in paragraph (1), deny its registration and where documents appended by the registration application are found to be insufficient, ask the applicant to supplement such documents for a fixed period. In this case, the Financial Supervisory Commission shall promptly notify in writing the applicant, expressly giving reasons thereof.

(4) The Financial Supervisory Commission shall offer the register book of corporate restructuring investment companies, etc. for public perusal.

Article 10 (Alteration Registration)

(1) Any corporate restructuring investment compa.y shall, where there is any change in matters registered under Article 8 (1), register such change with the Financial Supervisory Commission within 2 weeks from the date on which such change was found: Provided, That the same shall not apply to a change in minor matters prescribed by the Financial Supervisory Commission.

(2) The provisions of Article 9 (2) and (3) shall apply mutatis mutandis to the registration of any changed matters under paragraph (1).

Article 11 (Scope of Business of Corporate Restructuring Investment Company) Any corporate restructuring investment company shall be prohibited from running any business except for the business falling under each of the foll/wing subparagraphs:

1.Management, operation and disposal of assets owned by such corporate restructuring investment company;

2.Borrowing of funds and issue of bonds under Article 20;

3.Conclusion of contracts, etc. necessary to perform the business of subparagraphs 1 and 2;

4.Business incidental to the business of subparagraphs 1 through 3; and

5.Other business, prescribed by the Presidential Decree, necessary to perform the business of normalizing the management of companies contracted for corporate restructuring.

SECTION 2 DIRECTORS AND AUDITOR

Article 12 (Qualifications of Director) Any person falling under each of the following subparagraphs shall be disqualified from becoming a director:

1.A person who falls under any subparagraph of Article 4 (2);

2.A person who holds not less than 1/100 of the total number of stocks issued by an assets management company (hereinafter referred to as a "major stockholder") and the specially related person prescribed by the Presidential Decree; and

3.A person who has continued to be remunerated by an assets management company.

Article 13 (Duties of Director)

(1) Any director shall, when he intends to perform the business relating to matters falling under any of the following subparagraphs, go through a resolution of the board of directors:
1. Conclusion of contracts on the entrustment of business with an assets management company, an assets custody company and a company entrusted with general administrative affairs;
2.Payments of remunerations accruing from assets management, commissions accruing from custody of assets and expenses sustained in the course of management or custody of assets;
3.Matters relating to issue of bonds and borrowing of funds; and
4.Other matters, prescribed by the articles of incorporation, which are recognized as important to operations of a corporate restructuring investment company.
(2) Any director shall report performance of his duties not less than once every 3 months to the board of directors.

Article 14 (Calling of Board of Directors) Any director shall, when he intends to call a meeting of the board of directors, serve a notice thereof on each of directors and an auditor at least 3 days prior to the date on which such meeting is held.

Article 15 (Duties of Board of Directors)

(1) Any assets management company entrusted by a corporate restructuring investment company with the business of managing, operating and disposing of its assets shall report details of the operations of assets, etc. every 6 months to the board of directors of such corporate restructuring investment company.
(2) The board of directors shall examine details of the operations of assets reported under paragraph (1) and report the results not less than once each year to the general meeting of stockholders.

Article 16 (Written Resolution)

(1) Directors may adopt a written resolution without attendance of a meeting of the board of directors.
(2) Any director who intends to call a meeting of the board of directors shall, when he serves a notice thereof on each of the other directors, furnish a document necessary for such written resolution to each of such other directors.
(3) The director who intends to effect the written resolution shall furnish the document describing contents of such written resolution under paragraph (2) to the board of directors by the date preceding the date on which the board of directors holds a meeting.

(4) The number of directors making a written resolution shall be added to the number of directors attending a meeting of the board of directors.
(5) Necessary matters relating to the written resolution, except for what is prescribed in paragraphs (1) through (4), shall be prescribed by the Presidential Decree.

Article 17 (Qualifications of Auditor)

(1) Any auditor shall be a certified public accountant affiliated with an accounting corporation set up under the Certified Public Accountant Act.
(2) A person falling under any of the following subparagraphs shall be disqualified from becoming an auditor:
1.A person who falls under any subparagraph of Article 4 (2);
2.A person who is affiliated with an accounting corporation which is restricted in conducting any audit in connection with the corresponding corporate restructuring investment company under Article 21 of the Certified Public Accountant Act and in performing its business under Article 33 of the same Act;
3.A person who is in a period of suspension of his business;
4.A person who is affiliated with an accounting corporation which is in a period of suspension of business; and
5.A person who falls under any of the following items and has continued to be remunerated in connection with the business of a certified public accountant and his spouse:
(a) A major stockholder of the corresponding corporate restructuring investment company;
(b) A director of the corresponding corporate restructuring investment company; and
(c) An assets management company, an assets custody company or a company entrusted with general administrative affairs which is trusted with the business of the corresponding corporate restructuring investment company.

Article 18 (Duties of Auditor)

(1) Any auditor may, when he deems it necessary to perform his duties, ask any assets management company, any assets custody company or any company entrusted with general administrative affairs, which is entrusted with the business of his corporate restructuring investment company, to make a report related to the account of the business of such corporate restructuring investment company.
(2) Any person shall, upon receiving the request referred to in paragraph (1), shall comply with such request unless special reasons exist that make it impossible for him to do so.
(3) Any auditor shall, when he discovers that any director is feared to violate Acts and subordinate statutes and the articles of incorporation or cause significant damage to his corporate restructuring investment company in

connection with the performance of his duties, make a re- port thereof to the board of directors.

SECTION 3 BUSINESS

Article 19 (Scope of Assets Operation)

(1) Any corporate restructuring investment company shall operate its assets in a manner consistent with what falls under each of the following subparagraphs:
1.Trading of securities, etc. issued by companies contracted for corporate restructuring, security rights thereon and other rights;
2.Claims on credits, security rights thereon and other rights held by creditor financial institutions to companies contracted for corporate restructuring;
3.Loaning funds and giving payment guarantees to companies contracted for corporate restructuring within the limit of not exceeding the total amount of assets; and
4.Deposits made at financial institutions prescribed by the Presidential Decree.

(2) Any corporate restructuring investment company shall operate the amount of not less than the ratio prescribed by the Presidential Decree in excess of 40/100 of the total amount of its assets in a manner as prescribed in paragraph (1) 1 through 3.

(3) Any creditor financial institution shall, where it intends to invest in kind or transfer assets contracted for corporate restructuring in or to any corporate restructuring investment company, file without any delay a registration thereof with the Financial Supervisory Commission under the conditions as prescribed by the Presidential Decree.

(4) Where any creditor financial institution invests in kind or transfers assets contracted for corporate restructuring in or to any corporate restructuring investment company under paragraph (3), the provisions of Articles 7, 7-2, and 8 of the Asset-Backed Securitization Act shall apply mutatis mutandis to the requirements for setting up against the cession of obligations and the time for acquiring mortgages.

Article 20 (Borrowings and Issue of Bonds)

(1) Any corporate restructuring investment company may borrow funds within the limit of not exceeding twice its equity capital.

(2) Any corporate restructuring investment company may issue bonds within the limit of not exceeding 10 times its capital and the total amount of its reserve, notwithstanding Article 470 of the Commercial Act.

(3) In computing the limit of issuing bonds under paragraph (2), the bonds issued by a corporate restructuring investment company to pay for assets contracted for corporate restructuring, which are transferred by creditor

financial institutions to such corporate restructuring investment company shall not be included in the amount of bonds issued by the corporate restructuring investment company.

(4) Matters necessary for the methods of borrowing funds and issuing bonds, etc. under paragraphs (1) and (2) shall be determined by the Presidential Decree.

Article 21 (Limitation Placed on Transactions) Any corporate restructuring investment company shall be prohibited from effecting transactions referred to in any subparagraph of Article 19 (1) with a person falling under any of the following subparagraphs: Provided, That the same shall not apply to any transactions which are effected for normalizing the management of companies contracted for corporate restructuring and prescribed by the Presidential Decree:

1.A director of the corporate restructuring investment company concerned;
2.An assets management company entrusted with the business of managing assets of the corporate restructuring investment company concerned; and
3.A major stockholder of an assets management company.

Article 22 (Special Case for Investment Limitation Placed on Creditor Financial Institution)

(1) Where any creditor financial institution invests in any corporate restructuring investment company, the limitation placed on investment in capital, the limitation placed on the operation of property and the limitation placed on investment in accordance with the provisions of Acts falling under any of the following subparagraphs shall not apply to such investment:

1.Article 37 (1) and (2) of the Banking Act;
2.Article 19 of the Insurance Business Act;
3.Article 17 of the Merchant Banks Act; and
4.Other Acts prescribed by the Presidential Decree.

(2) Where a corporate restructuring investment company falls under a subsidiary of a financial institution (hereinafter referred to as the "financial institution") under Article 2 (1) 2 of the Banking Act, in computing the limitation placed on credits extended to such subsidiary under Article 37 (3) of the same Act, such corporate restructuring investment company shall not be deemed a subsidiary of the financial institution.

Article 23 (Special Case for Holding Company) The provisions of Article 8-2 (1) 1 and 2 and (2) of the Monopoly Regulation and Fair Trade Act shall not apply to any corporate restructuring investment company.

SECTION 4 COMPUTATION

Article 24 (Preparation of Closing Statements)

(1) Directors shall prepare documents falling under each of the following subparagraphs and supplementary statements every settling terms (hereinafter referred to as "closing statements") and obtain approval thereof from the board of directors:
1.The balance sheet;
2.The statement of profit and loss; and
3.A report on the operation of assets.
(2) Directors shall submit the closing statements to the auditor at least three weeks prior to the date on which a general meeting of stockholders is held.
(3) Matters to be entered in the closing statements shall be determined by the Financial Supervisory Commission.
(4) Standards for accounting applied to every corporate restructuring investment company shall be determined by the Financial Supervisory Commission.
(5) The Financial Supervisory Commission may entrust the work of paragraph (4) to a civilian corporation or an organization, both specializing in such work.

Article 25 (Audit Report)

(1) An auditor shall prepare an audit report within 2 weeks from the date on which he received the closing statements in accordance with Article 24 (2) and then submit such audit report to directors.
(2) Matters to be entered in the audit report shall be determined by the Presidential Decree.

Article 26 (Approval of Closing Statements, etc.)

(1) Directors shall put the closing statements on the agenda of a general meeting of stockholders and obtain approval therefrom. In this case, the audit report under Article 25 (1) shall also be submitted to the general meeting of stockholders.
(2) Directors shall, when they obtain the approval from the general meeting of stockholders under paragraph (1), furnish without any delay the closing statements and the audit report to the Financial Supervisory Commission, and publish the balance sheet and the audit report.

Article 27 (Keeping and Publication of Closing Statements, etc.)

(1) Directors shall keep documents falling under each of the following subparagraphs at the principal office:
1.Closing statements;
2.Audit reports;
3.The articles of incorporation;

4.Minutes of general meetings of stockholders;
5.The register of stockholders; and
6.Minutes of meetings of the board of directors.

(2) Stockholders and creditors may peruse documents kept in accordance with paragraph (1) at any time during business hours and apply for delivery of certified or abridged copies of such documents.

SECTION 5 DISSOLUTION AND LIQUIDATION

Article 28 (Cause of Dissolution) Any corporate restructuring investment company shall be dissolved on the grounds falling under any of the following subparagraphs:
1.The expiration of the duration prescribed by the articles of incorporation and the accruement of the cause of dissolution;
2.A resolution adopted at a general meeting of stockholders with respect to dissolution;
3.Merger;
4.Bankruptcy;
5.An order issued or a ruling handed down by the court with respect to dissolution;
6.Th rejection of registration under Article 9 (3); and
7.The cancellation of registration under Article 53 (4) or 54.

Article 29 (Dissolution Report) Where a corporate restructuring investment company is dissolved, a receiver in bankruptcy or a liquidator in charge shall report the fact to the Financial Supervisory Commission within 30 days from the date of dissolution.

Article 30 (Liquidator)

(1) Any corporate restructuring investment company shall, where it is dissolved (excluding the case where a corporate restructuring investment company is dissolved on the grounds of subparagraphs 3 and 4 of Article 28), appoint a liquidator.

(2) Where a corporate restructuring investment company is dissolved on the grounds of subparagraph 1 or 2 of Article 28, a director shall be a liquidator: Provided, That the same shall not apply to the case where the articles of incorporation or a general meeting of stockholders determines otherwise.

(3) Where a corporate restructuring investment company is dissolved on the grounds of subparagraph 5 of Article 28 or in accordance with Article 193 (1) of the Commercial Act, the Financial Supervisory Commission shall, upon receiving a request from interested persons, appoint a liquidator.

(4) Where a corporate restructuring investment company is dissolved on the grounds of subparagraph 6 or 7 of Article 28, the Financial Supervisory Commission shall appoint a liquidator ex officio.

(5) Any liquidator, when he is appointed under paragraph (2), may be remunerated as determined by the articles of incorporation or by a general meeting of stockholders and when he is appointed under paragraphs (3) and (4), may be remunerated by the corporate restructuring investment company as determined by the Financial Supervisory Commission.

Article 31 (Report of Liquidator) Any liquidator shall report matters falling under each of the following subparagraphs to the Financial Supervisory Commission within 2 weeks from the date of appointment:
1.Cause of dissolution and its date; and
2.Name, resident registration number and domicile of liquidator.

Article 32 (Dismissal of Liquidator) The Financial Supervisory Commission may, when any liquidator is deemed to be considerably inappropriate for performing his duties or to have grossly violated Acts and subordinate statutes, dismiss him ex officio or upon a request from interested persons. In this case, the Financial Supervisory Commission may appoint a new liquidator ex officio.

Article 33 (Survey of Current Assets)
(1) Any liquidator shall promptly survey current assets of the company in question after assuming his office and prepare a list of property and the balance sheet under the conditions as prescribed by the Presidential Decree, and then submit them to the auditor.
(2) The auditor shall submit an audit report to the liquidator within 2 weeks from the date on which he received the list of property and the balance sheet under paragraph (1).
(3) Matters to be entered in the audit report of paragraph (2) shall be determined by the Presidential Decree.

Article 34 (Approval of Property List, etc.)

(1) Any liquidator shall submit the list of property and the balance sheet prepared in accordance with Article 33 (1) to a general meeting of stockholders, seeking approval therof. In this case, he shall also submit the audit report described in Article 33 (2).
(2) The liquidator shall promptly furnish certified copies of the list of property and the balance sheet approved under paragraph (1) to the Financial Supervisory Commission.
(3) The liquidator shall keep the list of property and the balance sheet for which approval is given at a general meeting of stockholders under paragraph (1) in the corporate restructuring investment company concerned by the time that the liquidation is terminated and furnish such documents to an assets management company to keep them in its office of business (limited to the case where such assets management company has a domestic office of business).

Article 35 (Report on Matters of Violation by Liquidator) The auditor shall,

when he discovers that a liquidator is feared to violate Acts and subordinate statutes or the articles of incorporation or to cause significant damage to the corporate restructuring investment company concerned, make a report thereof to a general meeting of stockholders.

Article 36 (Notice to Creditors) Any liquidator shall notify, in a manner of publication, not less than twice, creditors that they are required to report their credits within a certain period and such credits are excluded from liquidation if they fail to make such report within the period, within one month from the date on which he was appointed. In this case, the reporting period shall not be less than one month.

Article 37 (Termination of Liquidation)

(1) Any liquidator shall, when his liquidation affairs are terminated, promptly prepare a report on the settlement of accounts and obtain approval thereof from a general meeting of stockholders. In this case, he shall also submit an audit report compiled by the auditor with respect to the report on the settlement of accounts.
(2) The liquidator shall, when the approval of paragraph (1) is given, publish the report on the settlement of accounts and the audit report. and submit certified copies of such documents to the Financial Supervisory Commission.

Article 38 (Order Given to Supervise Liquidation)
The Financial Supervisory Commission may, when it is deemed necessary to liquidate a corporate restructuring investment company, order the corporate restructuring investment company concerned, an assets management company, an assets custody company, or a company entrusted with general administrative affairs to deposit its property and to take necessary measures for liquidation administrative affairs.

Article 39 (Special Case for Registration of Liquidator)
(1) Where a corporate restructuring investment company is dissolved, matters falling under each of the following subparagraphs shall be registered within 2 weeks from the date of dissolution if a director becomes a liquidator and within 2 weeks from the date of appointment if a liquidator is appointed:
1.Name and resident registration number of the liquidator (in the case of a representative liquidator, his domicile shall be included); and
2.When it is prescribed that a representative liquidator is appointed from among liquidators or several liquidators jointly represent a corporate restructuring investment company, the purpose thereof.
(2) Where any registration is made under paragraph (1), documents prescribed by the Presidential Decree shall be appended.

Article 40 (Commissioned Registration of Financial Supervisory Commission)

(1) The Financial Supervisory Commission shall, in the following cases, commission the corresponding registration to a registry office having jurisdiction over the location of the corporate restructuring investment company concerned:
1.Where a corporate restructuring investment company is dissolved on the grounds described in subparagraph 6 or 7 of Article 28; and
2.Where the Financial Supervisory Commission dismisses a liquidator ex officio.
(2) The Financial Supervisory Commission shall, when it intends to commission the registration under paragraph (1), append a document attesting the cause of such registration.

CHAPTER III ASSETS MANAGEMENT COMPANY, ETC.

SECTION 1 ASSETS MANAGEMENT COMPANY

Article 41 (Entrustment of Business of Operating Assets)

(1) Any corporate restructuring investment company shall entrust the business of managing, operating and disposing of its assets to an assets management company.
(2) Approval shall be obtained from a general meeting of stockholders with respect to a contract on the entrustment referred to in paragraph (1) (excluding any contract that is entered into at the time of incorporation).
(3) The board of directors may, where there is a matter of urgency or there is no time to obtain approval from a general meeting of stockholders, enter into a contract with respect to the entrustment referred to in paragraph (1) notwithstanding paragraph (2). In this case, approval thereof shall be obtained from a general meeting of stockholders within 3 months from the date on which such contract was entered into, and where it fails to obtain such approval from a general meeting of stockholders, the conclusion of such contract shall lose its effect in the future.

Article 42 (Registration of Assets Management Company)
(1) Any person who intends to do the business of managing, operating and disposing of assets of a corporate restructuring investment company on the entrustment of such company shall register such business with the Financial Supervisory Commission.
(2) Any person who intends to register the business in accordance with paragraph (1) shall meet requirements falling under each of the following subparagraphs:
1.He is required to be a joint-stock company set up under the Commercial Act;
2.His capital is required to be not less than 500 million won and exceed the amount prescribed by the Presidential Decree;
3.His officers are required not to fall under the disqualifications referred

to in any subparagraph of Article 4 (2);
4.His standing officers are required to be specialists meeting standards prescribed by the Presidential Decree and their number is required to exceed the number prescribed by the Presidential Decree; and
5.He is required to have the financial expertise and what is prescribed by the Presidential Decree to soundly manage assets of a corporate restructuring investment company.

(3) Any foreign assets management company (referring to a person who has run the corporate restructuring business or the assets operation business in a foreign country pursuant to Acts and subordinate statutes of such country: hereinafter the same shall apply) shall, where it intends to open its branch office or other business office in Korea in order to run the business of an assets management company, file a registration with the Financial Supervisory Commission under the conditions as prescribed by the Presidential Decree.

(4) Any branch office or any business office that is registered in accordance with paragraph (3) shall be deemed an assets management company.

(5) Any foreign assets management company from among foreign assets management companies, which meets the requirements of paragraph (2) 2 through 5, may immediately run the business of an assets management company locally without setting up its branch office or its business office in the Republic of Korea.

(6) Necessary matters for any foreign assets management company to get itself entrusted with the business of operating the assets of a corporate restructuring investment company under paragraph (5) shall be determined by the Presidential Decree.

(7) Where a corporate restructuring investment company, which has registered its business with the Minister of Commerce, Industry and Energy in accordance with Article 14 of the Industrial Development Act, meets the requirements of paragraph (2) 3 through 5, such company shall be deemed to meet the registration requirements of paragraph (2).

Article 43 (Limitation Placed on Running Other Business by Assets Management Company, etc.)

(1) Any assets management company shall be prohibited from running other business except for the case where it is granted approval under this Act, other Acts and subordinate statutes or by the Financial Supervisory Commission.

(2) Any standing officer working for an assets management company shall be prohibited from working for another company as an officer or an employee or running other business: Provided, That the same shall not apply to the case falling under any of the following subparagraphs:
1.Where he becomes an officer or an employee of a company contracted for corporate restructuring invested by a corporate restructuring investment company after obtaining approval from such corporate restructuring investment company; and

2.Where he obtains approval from the Financial Supervisory Commission.

Article 44 (Standing Rule for Acts Performed by Assets Management Company)

(1) Any assets management company shall faithfully conduct its business with the care of a good manager in accordance with Acts and subordinate statutes and its assets operation entrustment contracts.

(2) Any assets management company shall be prohibited from getting any person who is not an assets operation specialist under Article 42 (2) 4 to conduct the business related directly to the operations of assets entrusted by a corporate restructuring investment company.

(3) Any assets management company shall be prohibited from performing the act of utilizing undisclosed information that it has learned in the course of utilizing, managing and operating assets, which are entrusted by a corporate restructuring investment company, for the interest of himself or third persons.

Article 45 (Prohibition on Utilizing Undisclosed Assets Information) Officers of a corporate restructuring investment company and officers and employees of an assets management company that manages assets of such corporate restructuring investment company shall be prohibited from utilizing undisclosed information pertaining to the assets of such corporate restructuring investment company to perform the act of trading securities, etc. or allowing other person to utilize such undisclosed information.

Article 46 (Responsibility of Assets Management Company, etc.)

(1) Any assets management company shall, when it causes damage to a corporate restructuring investment company by neglecting its business, which has entrusted the former with the business of managing, operating and disposing of its assets, be held responsible for compensating for such damage to the former.

(2) Where any assets management company is held responsible for compensating for damage to a corporate restructuring investment company or third persons, the concerned directors, auditor, such assets management company or a company entrusted with general administrative affairs, if found responsible, shall be jointly held responsible for compensating for such damage.

Article 47 (Management of Entrusted Assets, etc.)

(1) Any assets management company shall manage assets entrusted in accordance with Article 41 (1) separately form its inherent property.

(2) Where an assets management company goes bankrupt, no bankrupt's estate of such assets management company shall be organized for assets entrusted under Article 41 (1) (including property right on money, etc. accruing from managing, operating and disposing of entrusted assets) and a corporate restructuring investment company involved may ask such assets management company or receivers in bankruptcy to transfer assets it has entrusted to such assets management company.

Article 48 (Termination of Assets Operation Entrustment Contract)

(1) Any corporate restructuring investment company shall, where it intends to terminate an assets operation entrustment contract it has entered into with an assets management company, obtain approval thereof from a general meeting of stockholders.

(2) Any corporate restructuring investment company may, when a clear violation of the business duties by an assets management company, if an assets operation entrustment contract is not urgently terminated, is feared to cause enormous damage to such corporate restructuring investment company, terminate such contract with a resolution of the board of directors notwithstanding paragraph (1), and select other assets management company and enter into an assets management entrustment contract with such company.

(3) Directors of any corporate restructuring investment company may, where an assets management company which their company has entrusted with the business of managing, operating and disposing of its assets is judged to be difficult to conduct such business, in whole or in part, on the grounds of the business suspension, dissolution and other grounds corresponding to them, terminate the assets management entrustment contract entered into with such company and select other assets management company and enter into an assets management entrustment contract with such company. In this case, such directors shall promptly obtain approval from a general meeting of stockholders with respect to the termination of the old contract or the conclusion of the new contract, and if such directors fail to get approval from a general meeting of stockholders, the termination of the old contract or the conclusion of the new contract shall lose its effect in the future.

Article 49 (Conduct of Business of Collecting Claims) Any assets management company may conduct the business of collecting claims with respect to assets, the management, operation and disposal of which are entrusted by a corporate restructuring investment company under subparagraph 3 of Article 6 of the Use and Protection of Credit Information Act notwithstanding the provisons of Article 4 of the same Act.

SECTION 2 ASSETS CUSTODY COMPANY AND COMPANY ENTRUSTED WITH GENERAL ADMINISTRATIVE AFFAIRS

Article 50 (Entrustment of Business of Having Custody of Assets, etc.)

(1) Any corporate restructuring investment company shall entrust any assets custody company with the business of having the custody of its assets and other related business.

(2) Every assets management company shall be a trust company incorporated in accordance with the Trust Business Act or a financial institution that runs the trust business.

(3) Any corporate restructuring investment company shall obtain approval from a general meeting of stockholders with respect to any contract on the entrustment referred to in paragraph (1) (excluding any contract entered at the time of incorporation).
(4) The provisions of Article 41 (3) shall apply mutatis mutandis to the conclusion of a contract on the entrustment referred to in paragraph (1).

Article 51 (Business of Having Custody of Assets)

(1) Every assets custody company shall faithfully conduct its business with the care of a good manager for any corporate restructuring investment company in accordance with Acts and the assets custody entrustment contract.
(2) Any assets custody company shall be prohibited from effecting transactions, falling under any subparagraph of Article 19 (1), of assets entrusted by a corporate restructuring investment company as its inherent assets, utilizing undisclosed information that it has learned in the course of conducting the business of having the custody of such assets.
(3) Any assets custody company shall manage assets entrusted by a corporate restructuring investment company separately from its inherent assets and other assets, the custody of which is entrusted by third persons.
(4) Any assets custody company shall deposit securities under Article 2 (1) and (2) of the Securities and Exchange Act, from among assets, the custody of which is entrusted under paragraph (1), at the Korea Securities Depository established in accordance with Article 173 of the Securities and Exchange Act under the conditions as prescribed by the Presidential Decree.
(5) The provisions of Article 46 shall apply mutatis mutandis to the responsibility of every assets custody company.

Article 52 (Entrustment, etc. of General Administrative Affairs)

(1) Every corporate restructuring investment company shall entrust the administrative affairs falling under each of the following subparagraphs to any company entrusted with general administrative affairs:
1.Administrative affairs concerning the effectuation of the entry of a change in holders of issued stocks;
2.Administrative affairs concerning the issue of stocks;
3.Administrative affairs concerning the operation of any corporate restructuring investment company;
4.Administrative affairs concerning computation; and
5.Other administrative affairs prescribed by the Presidential Decree.
(2) A company entrusted with general administrative affairs shall be a creditor financial institution.
(3) The provisions of Article 46 shall apply mutatis mutandis to the responsibility of every company entrusted with administrative affairs.

CHAPTER IV SUPERVISION

Article 53 (Supervision and Audit, etc.)

(1) The Financial Supervisory Commission may, when it is deemed necessary to enhance the public interest and normalize the management of companies contracted for corporate restructuring, ask any corporate restructuring investment company, any assets management company, any assets custody company or any company entrusted with general administrative affairs to furnish data pertaining to the businesses conducted under this Act or make reports.
(2) The Governor of the Financial Supervisory Service established in accordance with the Act on the Establishment, etc. of Financial Supervisory Organizations (hereinafter referred to as the "Governor of the Financial Supervisory Service") may get his public officials to audit assets and business of any corporate restructuring investment company, any assets management company, any assets custody company and any company entrusted with general administrative affairs.
(3) Public officials assigned to conduct the audit under paragraph (2) shall carry certificates showing their authority and produce them to persons concerned.
(4) The Governor of the Financial Supervisory Service shall, when he conducts the audit under paragraph (2), report the results thereof to the Financial Supervisory Commission, and the Financial Supervisory Commission may, when this Act or any orders issued or dispositions taken under this Act are found to have been violated, take measures falling under each of the following subparagraphs against any corporate restructuring investment company, any assets management company, any assets custody company or any company entrusted with general administrative affairs:
1.Cancellation of registration;
2.Suspension of the business in whole or in part;
3.Demand for the dismissal of officers involved; and
4.Measures, prescribed by the Presidential Decree, which are necessary to correct matters of violation.

Article 54 (Cancellation of Registration of Corporate Restructuring Investment Company) The Financial Supervisory Commission may, where any corporate restructuring investment company falls under any case of the following subparagraphs, cancel its registration made under Article 8:
1.Where the company is dissolved;
2.Where the company has gotten itself registered in a fraudulent or other unlawful manner under Article 8; and
3.Where the company has become unable to meet the registration requirements under Article 9 (1) 1, 3 or 4.

Article 55 (Cancellation of Registration of Assets Management Company) The Financial Supervisory Commission may, where any assets management company

falls under any case of the following subparagraphs, cancel its registration made under Article 42 or suspend its business for a fixed period of not more than 6 months:
1.Where the company is dissolved;
2.Where the company has gotten itself registered in a fraudulent and unlawful matter under Article 42 (1) or (3);
3.Where the company has become unable to meet the registration requirements under Article 42 (2) 1 through 4;
4.Where the company has continued to fail to meet the requirements for the financial soundness under Article 42 (2) 5 for one year; and
5.Where the company fails to commence its business prior to the lapse of 6 months from the date of registration.

CHAPTER V SUPPLEMENTARY PROVISIONS

Article 56 (Hearings) The Financial Supervisory Commission shall, when it intends to take a disposition falling under any of the following subparagraphs, hold hearings:
1.Cancellation of registration under Article 53 (4);
2.Cancellation of registration of a corporate restructuring investment company under Article 54; and
3.Cancellation of registration of an assets management company under Article 55.

Article 57 (Special Case for Accounting Method of Creditor Financial Institution)
The Financial Supervisory Commission may set separate accounting standards for accounting investments, stocks and credits, which are made, transferred and extended by financial institutions in or to a corporate restructuring investment company notwithstanding the accounting standards under Article 13 of the Act on External Audit of Stock Companies.

Article 58 (Request for Appointing Inspector, Survey and Report, etc.) In applying the provisions of Articles 298 through 300, 325 and 422 of the Commercial Act to the appointment of inspectors, the certificate on investment in kind and the responsibility of inspectors for compensating for damages for inspecting the incorporation of a corporate restructuring investment company, the "court" in the same Articles shall be deemed the "Financial Supervisory Commission".

Article 59 (Prohibition on Use of Similar Name) Any person who is not a corporate restructuring investment company incorporated in accordance with this Act shall be prohibited from using the name of a corporate restructuring investment company or a similar name.

Article 60 (Relation with Other Acts)

(1) In applying the Commercial Act to any corporate restructuring investment

company, the "court" in Articles 259 (4), 417 (1), (3) and (4), 439 (3), 467 (1) through (3), 536 (2), 539 (1) and (2), and 541 (2) of the Commercial Act shall be deemed the "Financial Supervisory Commission" and the "public prosecutor" in Article 176 (1) and (2) of the same Act shall be deemed the "Financial Supervisory Commission".

(2) The provisions of Articles 19, 289 (2), 335, 335-2 through 335-7, and 415-2 of the Commercial Act shall not apply to any corporate restructuring investment company.

(3) The Financial Holding Company Act shall not apply to any corporate restructuring investment company.

Article 61 (Delegation of Authority) The Financial Supervisory Commission may delegate part of its authority under this Act to the Governor of the Financial Supervisory Service under the conditions as prescribed by the Presidential Decree.

CHAPTER VI PENAL PROVISIONS

Article 62 (Penal Provisions) Any person falling under any of the following subparagraphs shall be punished by imprisonment with prison labor for not more than 5 years or by a fine not exceeding 30 million won:

1.A person who has run the business of any subparagraph of Article 11 without getting his business registered under Article 8 (1);

2.A person who has gotten his business registered under Article 8 (1) in a fraudulent or other unlawful manner;

3.A person who has run the business of an assets management company without getting his business registered under Article 42 (1) or (3);

4.A person who has gotten his business registered under Article 42 (1) or (3) in a fraudulent or other unlawful manner;

5.A person who has sought the interest of himself or a third person in violation of Article 44 (3); and

6.A person who has effected transactions utilizing undisclosed information in violation of Article 45 or let other person utilize such undisclosed information.

Article 63 (Penal Provisions) Any person falling under any of the following subparagraphs shall be punished by imprisonment with prison labor for not more than 3 years or by a fine not exceeding 20 million won:

1.A person who has borrowed funds or issued bonds in violation of Article 20 (1) or (2);

2.A person who has effected transactions with directors of a corporate restructuring investment company or an assets management company in violation of Article 21;

3.A person who has failed to deposit property and take measures necessary for the liquidation business in violation of Article 38; and

4.A person who has effected transactions in violation of Article 51 (2).

Article 64 (Penal Provisions) Any person falling under any of the following subparagraphs shall be punished by imprisonment with prison labor for not more than one year or by a fine not exceeding 5 million won:
1.A person who has failed to manage entrusted assets separately in violation of Article 51 (3); and
2.A person who has failed to deposit securities at the Korea Securities Depository in violation of Article 51 (4).

Article 65 (Joint Penal Provisions) If the representative of a corporation, or the agent, the employed or any other employee of a corporation or an individual commits the act of violating Articles 62 through 64 in connection with the business of the corporation or the individual, such corporation or such individual shall be fined in addition to the punishment of the actor.

Article 66 (Fine for Negligence)
(1) Any person falling under any of the following subparagraphs shall be punished by a fine for negligence not exceeding 10 million won:
1.A person who has failed to make an alteration registration in violation of Article 10;
2.A person who has failed to submit the closing statements and the audit report in violation of Article 26 (2);
3.A person who has failed to keep the closing statements, etc. in violation of Article 27 (1);
4.A person who has not complied with a request for submitting data and for making a report under Article 53 (1);
5.A person who has rejected, hindered or dodged the audit under Article 53 (2); and
6.A person who has used a similar name in violation of Article 59.
(2) The fine for negligence referred to in paragraph (1) shall be imposed and collected by the Financial Supervisory Commission under the conditions as prescribed by the Presidential Decree.
(3) Any person who is dissatisfied with a disposition taken to impose a fine for negligence on him under paragraph (2) may raise an objection to the Financial Supervisory Commission within 30 days from the date on which he was notified of such disposition.
(4) When a person who is subjected to a disposition taken under paragraph (2) raises an objection under paragraph (3), the Financial Supervisory Commission shall promptly notify the competent court, which shall, upon receiving such notice, put the case on trial according to the Non-Contentious Case Litigation Procedure Act.
(5) When the person does not raise any objection within the period described in paragraph (3) or fails to pay the fine for negligence, such fine for negligence in question shall be collected according to the example of a disposition taken to collect national taxes in arrears.

ADDENDA

Article 1 (Enforcement Date) This Act shall enter into force on the date of its promulgation: Provided, That the provisions of Article 60 (3) shall enter into force on the date on which the Financial Holding Company Act is enforced.

Article 2 (Valid Term)

(1) This Act shall be valid for 6 years after its promulgation: Provided, That any corporate restructuring investment company incorporated during the valid term shall be subject to the application of this Act for the duration prescribed by the articles of incorporation of such company.
(2) In the application of the penal provisions to any unlawful act committed during the period for which this Act is applied, this Act shall be applied even after this Act becomes invalid.

Article 3 Omitted.

노사정위원회 홈페이지를 방문해주셔서 감사합니다.

附錄　韓國勞、資、政委員會網頁資料

한국어 | English

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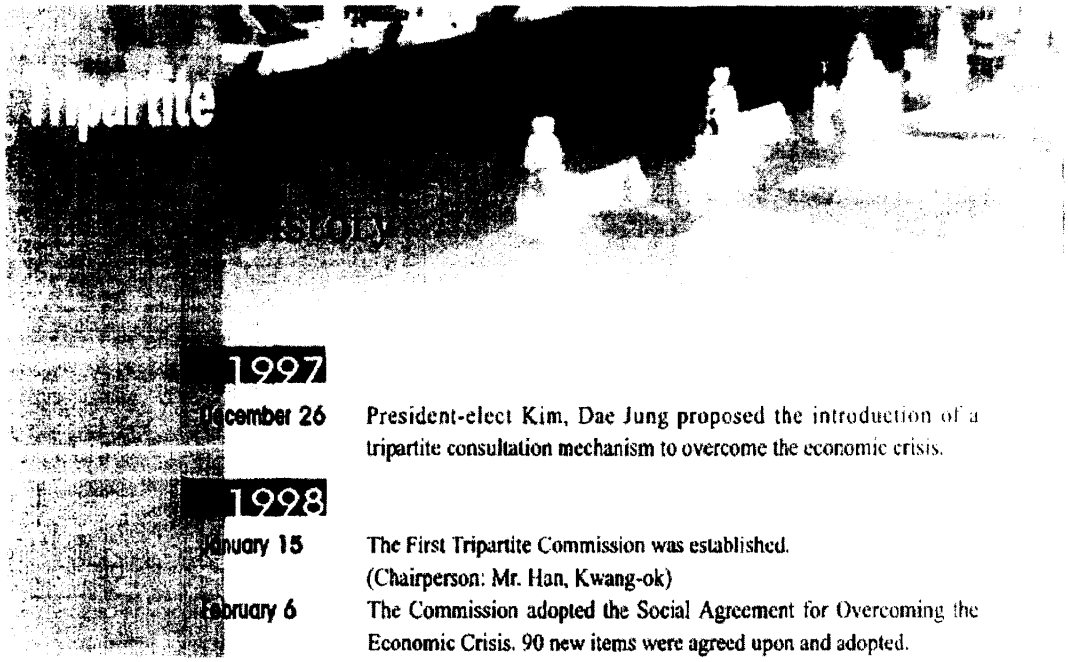


1997

December 26 President-elect Kim, Dae Jung proposed the introduction of a tripartite consultation mechanism to overcome the economic crisis.

1998

January 15 The First Tripartite Commission was established.
(Chairperson: Mr. Han, Kwang-ok)

February 6 The Commission adopted the Social Agreement for Overcoming the Economic Crisis. 90 new items were agreed upon and adopted.

March 28 The Regulations on Tripartite Commission were enacted as the Presidential Decree.

June 3 The Second Tripartite Commission was launched.
(Chairperson: Mr. Kim, One-ki)

1999

May 24 The Act on Establishment and Operation of the Tripartite Commission (Legislation No.5,990) was enacted and promulgated

September 1 The Third Tripartite Commission was inaugurated.
(Chairperson: Mr. Kim, Ho-jin)

2000

August 8 The Fourth Chairperson was inaugurated.
(Chairperson: Mr. Chang, Young-chul)

October 23 Agreement on Basic Principles of Reduction of Working Hours

2001

February 9 Agreement on additional five-year postponement of the introduction of the multiple trade unions at enterprise level and no payment to the full-time union officials by employers

Message from the Chairperson

President Kim Dae Jung set up the Tripartite Commission on January 15, 1998 in order to overcome the national crisis arising from the foreign exchange and financial crisis and reached the first tripartite compromise on social agreement.

As the Act on Establishment and Operation of the Tripartite Commission was enacted and promulgated on May 1999, the tripartite consensus-building mechanism of Korea was institutionalized and the new labor-management relations paradigm is also pursuing a revolutionary change.

International organizations, including the International Labor Organization(ILO), and foreign press have placed a high value on the adoption of labor-management consensus-building mechanism only 50 years after the introduction of capitalistic labor-management relations.

The nature of the Tripartite Commission is a social consensus-building institution grounded upon president Kim Dae Jung's national policies of the parallel development of democracy and market economy. Top representatives of labor, management and government assemble and resolve major labor issues democratically through dialogues, and this very aspect makes the Tripartite Commission an institution for a democratic cause in labor-management relations. Through this tripartite consensus-building mechanism, the People's Government has successfully carried out socially cohesive restructuring and, as a consequence, has revitalized the economy and renewed the momentum for social development.

The Third Tripartite Commission is mandated to exert the best effort to make solid fruits by reflecting the experiences of the First and the Second Tripartite Commissions. Above all, based on firm faith among labor, management and government, the crippled operation of the Commission should be avoided. To this end, the Third Commission should be operated on the basis of three principles - dialogues and negotiation, equality and balance, and faithful implementation of the agreements.

The Third Tripartite Commission is facing imminent tasks of vital importance: i) preparation of a new framework for labor-management relations of the 21st century, ii) concluding of a social agreement on employment, welfare and growth, iii)wage payment to full-time union officials, iv)reduction of working hours, and v)elimination of unfair labor practices. In resolving these tasks, the three parties to the Commission must negotiate with reform-minded attitude and materialize higher degree of implementation, with special focus on arriving at feasible alternatives rather than quantitative achievements.

In order for the Tripartite Commission as a central institution of new labor-management relations to take root firmly and to open a new horizon of labor-management democracy, participation and will for implementation of the three parties - labor, management and government - are of utmost importance.

First, trade unions need strong will to make best use of the Tripartite Commission as the place of public relation to represent their interests. It has been proved in many European countries that the social agreement institution is the most democratic and advanced institution in which both labor and management can win

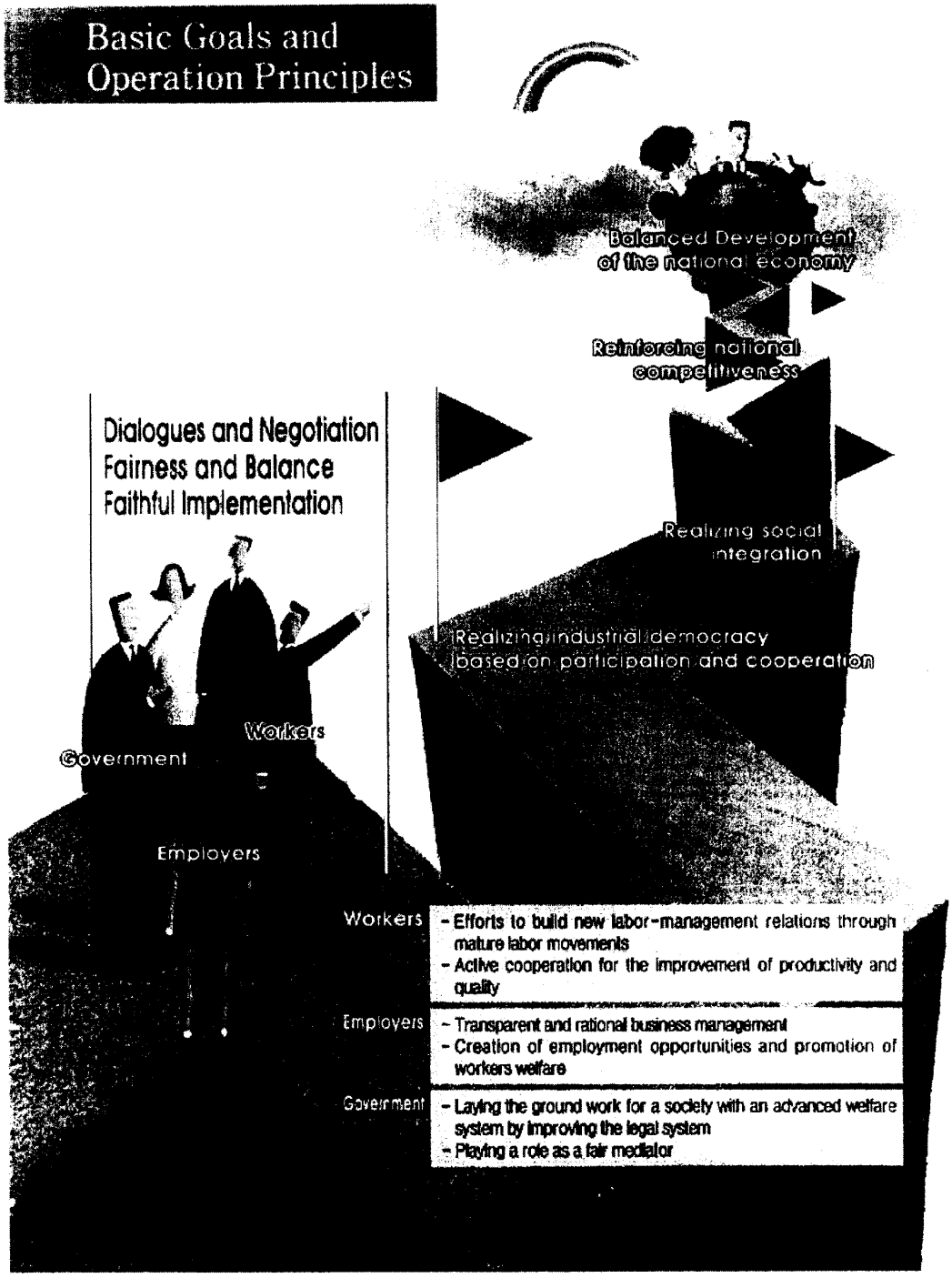
together, avoiding confrontation. The Dutch SER and the German "Buendnis fuer Arbeit" are a few of the most successful examples. Trade unions now have to assume an advanced trade union movement in which their claims and gains are to be made within the framework of the institution.

Employers should bear in mind that the Tripartite Commission is a consensus-building body in which social solidarity and partnership are realized. To this end, employers should not only participate in good faith with fair sharing of burden that may arise from restructuring,but also ensure transparency of corporate management and actively promote unity between labor and management.

Government should be open-minded, listen to the voices of labor and management through the Tripartite Commission and put them into policies. Only when the views of labor and management are reflected without distortion, labor policy can bear rationality and efficiency.

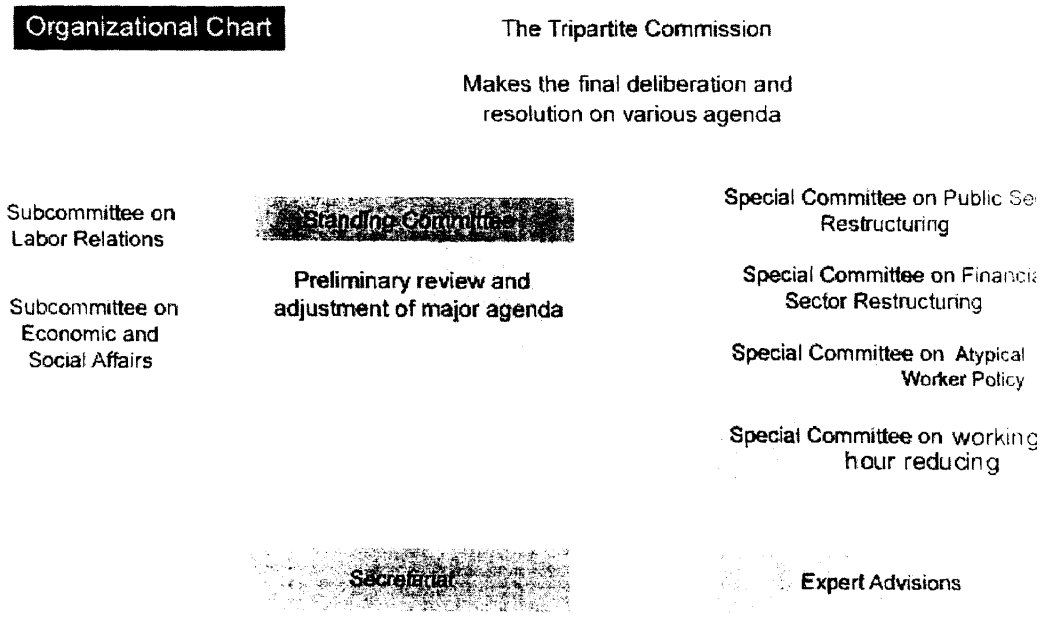
The Third Tripartite Commission is mandated to foster its identity solidly built upon autonomy and justice, and maintain its status as the top-level policy consultation institution. Facing the new millennium, the Tripartite Commission at the heart of labor-management community will will make the best efforts to play the role of locomotive for the Korea's economic development and social cohesion.

August 9, 2002
Chairman
Prof. Dr. Hong Shin


Basic Goals and Operation Principles
Balanced Development of the national economy
Reinforcing national competitiveness
Realizing social integration
Realizing industrial democracy based on participation and cooperation
Dialogues and Negotiation
Fairness and Balance
Faithful Implementation
Government
Workers
Employers
Workers
- Efforts to build new labor-management relations through mature labor movements
- Active cooperation for the improvement of productivity and quality
Employers
- Transparent and rational business management
- Creation of employment opportunities and promotion of workers welfare
Government
- Laying the ground work for a society with an advanced welfare system by improving the legal system
- Playing a role as a fair mediator

[Functions and Structure]

Organizational Chart



Operational Procedures

Proposal and Submittal of Agenda

- ▶ Each Commission member may propose agendas to be submitted to the Commission.
- ▶ The Commission Chairman shall submit agendas proposed by members to the Commission via the process of review and coordination by the Standing Committee.
- ▶ The Chairman may also submit agenda to the Commission without going through the Standing Committee in an extraordinary circumstances.

Deliberation of Agenda

- ▶ Agendas are deliberated both in Subcommittees which are organized to deal with the matters entrusted by the Standing Committee and Special Committees to deal with specific matters.
- ▶ The results of the deliberation of Subcommittees and Special Committees are finally decided in Plenary Committee via review and coordination by the Standing Committee.

Decision of Agenda

- ▶ A Committee meeting shall be held at presence of at least half or more of the total number of committee members. A decision shall require consent of two-thirds or more of the present members.
- ▶ However, the Tripartite Commission, assuming the social consultation body, pursues the unanimous agreement among labor, management, and the government.

Legislation No. 5,990

The Act on Establishment and Operation of the Tripartite (Labor -Management-Government) Commission (Dated May 24, 1999)

Article 1 (Purpose)

The purpose of this Act is to seek industrial peace and contribute to the balanced development of the national economy by establishing the Tripartite Commission of labor unions, management and the Government, and stipulating matters necessary for its organization and operation, for the purpose of discussion of labor policies and matters related to them on the basis of the spirit of mutual trust and cooperation among the three parties, as well as providing advice to the President when necessary.

Article 2 (Duties of the Commission)

The three parties (labor-management-government) shall take part in relevant meetings on the basis of mutual trust in a bona fide manner and respect the results of the meetings to the utmost of their abilities.

Article 3 (Establishment of the Commission and Its Functions)

1) The Commission shall belong to the President.

2) The Commission shall deal with each of the following matters.

1. Matters pertaining to labor policies on workers* employment stability and conditions as well as industrial, economic and social policies that have a significant impact on such labor policies,

2. Matters pertaining to the principles and directions of the restructuring of the public sector,

3. Matters pertaining to the need for improvement of the system, consciousness and practice for the development of labor-management relations,

4. Matters pertaining to how to carry out the decisions made at meetings of the Commission,

5. Matters pertaining to how to provide support to projects designed for the promotion of cooperation among the three parties, and

6. Other matters for which the President seeks advice.

Article 4 (Composition and Operation of the Commission)

1) The Commission shall be comprised of 20 (twenty) or less members representing labor, management, the Government and public interest, and includes a Chairman and a Vice Chairman . In this case, the number of those representing labor and management shall be the same.

2) The Chairman and the Vice Chairman mentioned in the foregoing 1) shall be appointed by the President.

3) Those appointed by the President shall include one who represents labor on a national level and is chosen among the representatives of labor organizations, one who represents management and is chosen among representatives of management organizations on a national level, and one who represents public interest and is chosen among those well versed and experienced in labor matters. In this case the member of the public interest shall be appointed in deference to the opinions of labor organizations and management organizations on a national level in advance.

4) The one representing the Government among those mentioned in the foregoing 3) shall be Minister of Finance & Economy and Minister of Labor.

agenda

5) The President may appoint Minister of Commerce, Industry and Energy, Minister of Planning and Budget, and Chairman of the Financial Supervisory Commission as Special Members of the Commission within the limit of the number of the members stipulated in the foregoing 1), if so required to discuss the matters stipulated in the foregoing Subparagraph 2, Paragraph 2) of Article 3.

6) Matters required for composition and operation of the Commission shall be stipulated by the Presidential decree.

Article 5 (Duties of the Chairman etc.)

1) The Chairman shall stand as the head of the Commission and control the general business of the Commission.

2) The Vice Chairman shall assist the Chairman, and act for the Chairman when the Chairman is unable to perform his/her duty for an unavoidable reason.

Article 6 (Terms for Members)

1) The term for Commission members shall be two years, which may be extended.

2) A member whose term has expired shall continue to perform his/her duty until his/her successor is appointed, if that is the case.

Article 7 (Meeting of the Commission)

1) The Chairman shall convene the plenary session and act as the chairman of the meeting.

2) A meeting of the Commission shall be convened if one of the following applies:

1. In case the President demands it,

2. In case a third or more of the total number of the members demands it, and

3. In case the Chairman finds it necessary to convene a meeting.

3) A quorum for holding a meeting shall have a presence of half or more of the total number of the members. A decision shall require consent of two-thirds or more of the members present in a meeting.

4) A decision stated in the foregoing 3) shall require presence of a half or more of those representing labor, management and the Government, respectively.

5) The Chairman may have the head of a related Government institution present and speak at a meeting of the Commission, if necessary

Article 8 (Standing Committee)

1) The Commission shall have a Standing Committee assigned for review and coordination of agenda to be submitted to the Commission as well as dealing with the matters entrusted by the Plenary Committee and providing assistance to the Commission in its activities.

2) The Standing Committee stated in the foregoing 1) shall be comprised of 25 (twenty-five) or less members including the chairman. The Vice Chairman of the Commission shall concurrently act as the chairman of the Standing Committee.

3) The Standing Committee members shall be comprised of those appointed by the Chairman among working-level officials of labor, management and the Government as well as related specialists supposed to represent

agenda

public interest.

4) What is stipulated in Paragraphs 1), 3) through 5) of Article 7 shall also apply to the Standing Committee.

5) Matters required for composition and operation of the Standing Committee shall be stipulated by the Presidential decree.

Article 9 (Subcommittees)

1) The Standing Committee shall have a subcommittee for each field assigned for review and coordination of agenda to be submitted to the Standing Committee as well as for dealing with the matters entrusted by the Standing Committee and providing assistance to the Standing Committee in its activities.

2) The chairman of each subcommittee shall be appointed by the Commission Chairman among the members of the Standing Committee supposed to represent public interest.

3) Matters required for composition and operation of subcommittees shall be stipulated by the Presidential decree.

Article 10 (Special Committee)

1) The Commission may have special committees to deal with specific matters in various fields if necessary.

2) The Special Committee Chairman shall be appointed by the Commission Chairman.

3) The Special Committee Chairman shall report the results of its meetings to the Commission.

4) Matters required for composition and operation of special committees shall be stipulated by the Presidential decree.

Article 11 (Secretariat)

1) The Commission shall have Secretariat assigned to deal with general matters of the Commission.

2) The Secretariat shall have its Secretary General.

3) Matters required for composition and operation of the Secretariat shall be stipulated by the Presidential decree.

Article 12 (Expert Advisors)

1) The Commission shall have Expert Advisors for specialized surveys and research concerning its activities.

2) Matters such as the number and qualifications for the Expert Advisors shall be stipulated by the Presidential decree.

Article 13 (Cooperation from Related Institutions etc)

1) The Commission may take the following steps if so required for its business:

1. Request for presence of a person(s) concerned, a related public official(s) and a related specialist(s) in order to listen to their opinion(s)

2. Request for submittal of data or explanation from a person(s) concerned or a related institution(s)

2) Such person(s) concerned, a related public official(s) or a related institution(s) as have been put to the

request(s) mentioned in the foregoing 1) shall do their best to comply with it/them.

Article 14 (Survey of Public Opinion)

The Commission may hold a public hearing, seminar or a panel discussion broadcast or conduct/collect a survey of public opinion if so required concerning its business.

Article 15 (Entrusting of Survey or Research)

The Commission may entrust a related institution, organization or specialist with a survey or research if so required concerning its business.

Article 16 (Dispatch of Related Public Official and Staff -member)

The Commission Chairman may have a public official(s) or a staff-member(s) come to work for the Commission either part-time or full-time for some period in consultation with the head of the relevant institution or organization if so required for its business.

Article 17 (Report of Results of Discussion)

1) The Commission Chairman shall report major matters of its activities including the results of a meeting of the Commission to the President.

2) The Commission Chairman may inform the related administrative institutions of its decision(s) and urge it to carry out decisions made in the Commission.

Article 18 (Duty of Due Diligence)

1) Labor, management and the Government shall do their best to carry out the decisions made by the Commission and have them reflected in their policy-making with the implementation in due diligence.

2) In case the decisions made in the Commission are delayed or not carried out within a reasonable period of time, the Commission Chairman may request the relevant administrative institution, labor or management organization for explanation or submittal of material explaining the reason for not carrying it out.

Article 19 (Local Tripartite Councils)

1) The head of a local autonomous body may establish a local tripartite (labor-management-government) council for enhancement of cooperation among the three parties in the area in his/her jurisdiction.

2) Matters required for composition and operation of a local tripartite council shall be stipulated by the Presidential decree.

Additional Rules

1) (Effective Date) This Act shall take effect from the day of promulgation.

2) (Interim Measures on Establishment of the Commission) The Tripartite Commission existing before the effectuation of this Act under the previous regulations shall be deemed to be the Tripartite Commission established under this Act.

3) (Interim Measures on Term of Members) The members appointed under the existing previous regulations at the time of promulgation shall carry out their duties until new members are appointed under this Act.

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Presidential Decree No. 16,519

Enforcement Ordinance on the Act of Establishment and Operation of Tripartite (Labor -Management-Government) Commission

(Dated August 6, 1999)

Article 1 (Purpose)

The purpose of this Enforcement Ordinance is to set forth matters necessary concerning the matters entrusted by the Act on Establishment and Operation of Tripartite (Labor-Management-Government) Commission (Dated May 24, 1999) and their enforcement.

Article 2 (Composition of the Commission) The number of members representing labor and management stated in Article 4 of the Act on Establishment and Operation of Tripartite (Labor-Management-Government) Commission (※the Act§ hereinafter) shall be two, respectively.

Article 3 (Proposal and Submittal of Agenda)

1) A Commission member may propose an agenda to be submitted to the Commission.

2) The Commission Chairman (※the Chairman§ hereinafter) shall submit an agenda proposed by a member to the Commission via the process of review and coordination by the Standing Committee stipulated in Article 8 of the Act. The Chairman may also submit an agenda to the Commission without going through the Standing Committee in an inevitable situation by virtue of his/her office.

Article 4 (Meeting of the Commission)

1) When the Chairman intends to convene a meeting under the regulation in Paragraph 2 of Article 7 of the Act, he/she shall inform all the members of the date, place and agenda of such a meeting at least 3 (three) days in advance of the day of the meeting, provided that he/she may not do so under an inevitable situation.

2) The Chairman may proceed with a closed-door meeting if deemed necessary with the consent of the Commission.

Article 5 (Composition of Standing Committee)

1) The Standing Committee shall consist of the chairman and the members stated in the following:

1. 5 (five) persons recommended by national-level labor organizations,

2. 5 (five) persons recommended by national-level management organizations,

3. Vice Minister of Finance & Economy and Vice Minister of Labor, and

4. 9 (Nine) or less relevant specialists supposed to represent the public interest.

2) The Chairman may appoint Vice Minister of Commerce, Industry and Energy, Vice Minister of Planning and Budget, and Vice Chairman of the Financial Supervisory Commission as members of the Standing Committee, if so required for discussion of the matters concerning Subparagraph 2, Paragraph 2) of Article 3 of the Act.

3) The Chairman may release a member appointed at the recommendation of a labor or management organization from his/her position in the Standing Committee in case there is such a request from the relevant labor or management organization.

Article 6 (Provision of Supports for the Commission)

agenda

The Standing Committee shall deal with each of the following businesses and report the results to the Commission:

1. Review and coordination of an agenda to be submitted to the Commission,

2. Dealing with a matter entrusted by the Commission,

3. Checking to see whether decisions made by the Commission are carried out,

4. Matters concerning a survey of public opinion stated in Article 14 of the Act,

5. Matters pertaining to request for a survey or research stated in Article 15 of the Act

Article 7 (Meeting of the Standing Committee)

1) A meeting of the Standing Committee shall be convened on one of the following occasions:

1. When there is a request from the Chairman,

2. When there is a request from a third or more of the Standing Committee members, or

3. When the Standing Committee chairman finds it necessary.

2) In case the Standing Committee chairman is unable to perform his/her duty for an unavoidable reason, a Standing Committee member appointed by the chairman shall act for him/her.

3) What is stipulated in the foregoing Article 4 shall apply to the Standing Committee, with the Chairman meaning the ※Standing Committee chairman§, and the Commission meaning the ※Standing Committee§.

Article 8 (Composition of Subcommittees)

1) Composition of a subcommittee for each field stipulated in Paragraph 1 of Article 9 of the Act shall be subject to the decision of the Standing Committee.

2) A subcommittee shall consist of 15 (fifteen) or less members including the chairman.

3) A subcommittee member shall be appointed by the chairman among those in the following:

1. Those recommended by national-level labor organizations,

2. Those recommended by national-level management organizations,

3. Public officials recommended by the head of a related administrative institution, and

4. Related specialists supposed to represent public interest.

Article 9 (Meeting of Subcommittees)

1) The subcommittee chairman shall convene a meeting of the subcommittee and act as the chairman of the meeting.

2) A quorum for holding a subcommittee meeting shall have a presence of half or more of the total number of the subcommittee members. A decision shall require consent of two-thirds or more of the members present in a meeting.

3) A decision stated in the foregoing 2) shall require a presence of half or more of the subcommittee members respectively for each category stated in Subparagraphs 1 through 3 of Paragraph 3 of Article 8.

4) The subcommittee chairman may have a working level official(s) of a related administrative institution(s) present and speak at one of its meetings if so required.

5) Article 4 and Paragraphs 1) and 2) of Article 7 shall apply to subcommittees, with the ※Chairman§ meaning the ※subcommittee chairman§, the ※Commission§ meaning the ※subcommittee§, the ※Standing Committee§, the ※Chairman§, the ※Standing Committee members§, and the ※Standing Committee chairman§ in Paragraphs 1) and 2) of Article 7 meaning the ※subcommittee§, the ※Standing Committee chairman§, the ※subcommittee members§, and the ※subcommittee chairman§, respectively.

Article 10 (Composition of Special Committees)

1) A special committee stipulated in Article 10 shall be comprised of 20 (twenty) or less members including the chairman.

2) The special committee chairman shall be appointed by the Commission Chairman among those supposed to represent the public interest.

3) The special committee members shall be appointed by its chairman among those stated in each subparagraph of Paragraph, Article 8.

4) A special committee may have subcommittees in the committee if so required.

Article 11 (Meeting of Special Committees)

1) A special committee member may propose an agenda to be submitted to the special committee.

2) Article 4, Paragraph 1) of Article 7 and Paragraphs 1) through 4) of Article 9 shall apply to the Special Committee, with the ※Chairman§ and ※the ※Commission§ in Article 4 meaning the ※special committee chairman§ and the ※special committee,§ respectively, and the Standing Committee,§ ※the Standing Committee members,§ and the ※Standing Committee chairman§ in Paragraph 1) of Article 7 meaning the ※ special committee,§ the ※special committee members,§ and the ※special committee chairman§, respectively. And the ※subcommittee chairman§ and the ※subcommittee§ in Paragraphs 1) through 4) of Article 9 shall mean the ※special committee chairman§ and the ※special committee§ in this case.

Article 12 (Organization and Operation of the Secretariat)

1) The Chairman shall appoint the Secretary General under Paragraph 2) of Article 11 of the Act. In this case the Chairman may have Vice Chairman concurrently act as the Secretary General of the Secretariat.

2) The Secretary General shall deal with the businesses entrusted to him by the Chairman and control and supervise the employees of the Secretariat.

3) The Commission may employ specialists in related fields as public officials on a contract basis if so required in dealing with its businesses.

4) Matters required for organization and operation of the Secretariat shall be stipulated as operational regulations of the Commission.

Article 13 (Number and Capacity of Expert Advisors etc)

1) The number of the Commission Expert Advisors under Article 12 of the Act shall be 10 (ten) or less.

2) The Expert Advisors shall be appointed by the Chairman among Ph. D. holders in labor, industry, economy

and social policy who have extensive knowledge and experience in the related field.

3) The Expert Advisors shall perform the following assignments as part of surveys and research related to the Commission＊s business:

1. Review of agendas submitted to the Commission,

2. Review of how to carry out what the Commission has decided,

3. Gathering of data related to the Commission＊s business, and

4. Other matters required by the Commission.

Article 14 (Allowance, etc.)

Remuneration, allowances, traveling expenses and other necessary expenses may be paid, within the budget, to the Chairman, the Standing Committee chairman, the subcommittee chairmen, the special committee chairmen, the members of the Commission, the Standing Committee, the subcommittees and the special committees, the Secretary General and other employees of the Secretariat, the Expert Advisors and other related specialists working for the Commission.

Article 15 (Disclosure of Whether the Commission ＊s Decision Has Been Carried Out)

The Chairman shall check to see whether labor, management and the Government has carried out the Commission＊s decisions with due diligence under Article 18 of the Act on a quarterly basis and may disclose the results of the check if so required, in order to have each of them to comply with the Commission ＊s decisions faithfully.

Article 16 (Composition of Local Tripartite Council)

1) The local tripartite (labor-management-government) councils established under the regulation in Paragraph 1) of Article 19 shall be comprised of 15 (fifteen) or less including the chairman.

2) The local tripartite council members shall be appointed among those in the following. In this case, the number of the members representing labor and management shall be equal.

1. Those representing labor,

2. Those representing management,

3. Those supposed to represent public interest, and

4. Those representing the relevant local autonomous body.

5. Those representing the relevant local labor office.

3) The local tripartite council under the foregoing 1) shall be in charge of discussing the following matters:

1. Matters pertaining to how to promote cooperation among the three parties in the relevant region,

2. Matters pertaining to unemployment and employment measures in the relevant region, and

3. Other matters pertaining to the local economy.

4) Matters required for composition and operation of the local tripartite council shall be stipulated in the ordinance of the related local autonomous body in such a way as will suit the region.

Article 17 (Operational Regulations)

Matters not covered by this Enforcement Ordinance concerning operation of the Commission shall be fixed by the Chairman upon the decision by the Commission.

Additional Rules

1) (Effective Date) This Ordinance shall take effect from the day of promulgation.

2) (Annulment of Other Redundant Laws and Regulations) Other rules and regulations than those covered by the [Act on Establishment and Operation of Tripartite (Labor-Management-Government) Commission (dated May 24, 1999) and this Enforcement Ordinance (dated August 6, 1999)] shall be annulled.