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## **KOREA INVESTMENT CORPORATION ACT**

Adopted on March 24, 2005 (Act No. 7393)

Partially amended on August 3, 2007 (Act No. 8635)

Partially amended on February 29, 2008 (Act No. 8852)

Partially amended on July 25, 2011 (Act No. 8852)

### **CHAPTER 1. GENERAL PROVISIONS**

#### **ARTICLE 1 (PURPOSE)**

The purpose of this Act is, by establishing Korea Investment Corporation, to conduct effective management of assets which are entrusted by the Government, the Bank of Korea, etc., and thereby contribute to the development of financial industry.

#### **ARTICLE 2 (DEFINITION)**

“Entrustment of Asset” is defined as entrusting management of asset held by a subject of fund management (hereinafter referred to as the “trust institution”) - as prescribed by the “Fund Management Framework Act” - the Government, or the Bank of Korea, to the Korea Investment Corporation (hereinafter referred to as the “Corporation”), and paying the management fee to the Corporation.

#### **ARTICLE 3 (JURIDICAL PERSON)**

The Corporation shall be a juridical person.

#### **ARTICLE 4 (OFFICE)**

- (1) Location of principal office for the Corporation shall be set forth in the Articles of Incorporation.
- (2) If necessary, the Corporation may establish branches or representative offices for carrying out its business, as determined by the Articles of Incorporation.

#### **ARTICLE 5 (CAPITAL)**

Capital of the Corporation shall be 1 trillion won and the total amount thereof shall be contributed by the Government.

#### **ARTICLE 6 (ARTICLES OF INCORPORATION)**

- (1) The Articles of Incorporation for the Corporation shall state the following.

1. Purpose;
  2. Corporate name;
  3. Matters pertaining to principal office, branches and representative offices;
  4. Matters pertaining to capital;
  5. Matters pertaining to the Steering Committee pursuant to Article 9;
  6. Matters pertaining to the Board of Directors;
  7. Matters pertaining to Officers and Employees;
  8. Matters pertaining to business and its execution;
  9. Matters pertaining to accounting;
  10. Matters pertaining to methods of public disclosure pursuant to Article 36;
  11. Matters pertaining to amendment to Articles of Incorporation; and
  12. Other matters as determined by the Presidential Decree of the Republic of Korea.
- (2) If the Corporation intends to amend its Articles of Incorporation, the Corporation shall obtain a resolution of the Steering Committee, pursuant to the provisions of Article 9.

#### **ARTICLE 7 (REGISTRATION)**

- (1) The Corporation shall be duly established upon the completion of establishment registration at the location of its principal office.
- (2) Matters relating to the registration of the Corporation, such as registration of establishment of the Corporation pursuant to the provision of Paragraph (1), registration of installment of branches and representative offices, registration of transfer and registration of amendment as well as matters regarding other registrations of the Corporation shall be made in compliance with the relevant provisions of the Civil Law.
- (3) The Corporation may not confront a third party with respect to the matters required to be registered, except after its registration.

#### **ARTICLE 8 (PROHIBITION OF USE OF SIMILAR NAMES)**

No entity other than the Corporation shall use as its name, the “Korea Investment Corporation” or other terms similar thereto.

### **CHAPTER 2. STEERING COMMITTEE ETC.**

#### **ARTICLE 9 (ESTABLISHMENT AND FUNCTION OF STEERING COMMITTEE)**

- (1) The Steering Committee (hereinafter referred to as the “Committee”) shall be established within the Corporation to set up a basic policy concerning operation of the Corporation and review management performance, etc.
- (2) The Committee shall deliberate and resolve the following matters.
  1. Amendment to the Articles of Incorporation;

2. Matters pertaining to mid- and long-term investment policies of the Corporation;
3. Matters pertaining to the basic policies for the business of the Corporation;
4. Matters pertaining to modification of financial status, such as increase or decrease of capital, of the Corporation;
5. Matters pertaining to entrustment of asset to the Corporation;
6. Matters pertaining to appointment and dismissal of the officers;
7. Matters pertaining to approval of budget and account settlement of the Corporation;
8. Matters pertaining to evaluation of management performance of the Corporation;
9. Matters pertaining to inspection of the business of the Corporation pursuant to Paragraph (1) of Article 35 of the Act; and
10. Any other matter prescribed in the Articles of Incorporation pertaining to the operation of the Corporation.

#### **ARTICLE 10 (COMPOSITION OF STEERING COMMITTEE)**

- (1) The Committee shall be composed of not more than twelve members, including one chairman.
- (2) Members of the Committee shall fall under each of the following items:
  1. A head of trust institution that has entrusted asset of over the amount prescribed by the Presidential Decree;
  2. Not more than six persons who are nominated by the Civil Member Candidate Nomination Committee (hereinafter referred to as “Civil Member”), as prescribed under a provision of Article 14, and are appointed by the ROK President; and
  3. President of the Corporation (hereinafter referred to as the “President”).
- (3) The terms of office of the Civil Members shall be two years.
- (4) If a vacancy occurs among the Civil Members, a member shall be newly appointed and the term of the new member shall begin from the date of his appointment.

#### **ARTICLE 11 (QUALIFICATIONS FOR CIVIL MEMBER)**

- (1) A Civil Member shall have any of the following qualifications:
  1. A person who is employed at a university or research institute and whose research experience in finance or investment is more than ten years;
  2. A person with more than ten-year experience in investment at international financial organizations or domestic/overseas financial institutions of more than a certain size set forth by the Presidential Decree; or
  3. An attorney-at-law or a certified public accountant with more than ten-year experience in finance, investment or company audit.
- (2) A former officer or an employee of the Corporation may not be able to become a Civil Member within three years after leaving his position.

- (3) An officer or an employee whose institution has been entrusted asset from the Corporation may not become a Civil Member.

#### **ARTICLE 12 (OPERATION)**

- (1) The Chairman of the Steering Committee shall be elected among the Civil Members.
- (2) The Chairman shall represent the Steering Committee and preside over the business of the Steering Committee.
- (3) If the Chairman is unable to perform his duties for unavoidable reasons, a Committee member previously designated by the Committee shall act for the Chairman.
- (4) The quorum of a meeting of the Committee shall be a majority of all incumbent members and a resolution of the Committee shall be adopted by an affirmative vote of a majority of the members present at the meeting.
- (5) The President shall not participate in deliberation and resolution of the Steering Committee over the matters of the following items.
  1. Matters pertaining to appointment and dismissal of the President;
  2. Matters pertaining to approval of budget and account settlement;
  3. Matters pertaining to evaluation of management performance of the Corporation;
  4. Matters pertaining to inspection of business of the Corporation, pursuant to Paragraph (1) of Article 35; and
  5. Any other matters deliberated on and resolved by the Committee as matters that are directly with interests of the President, such as determination of the President's salary.
- (6) The Steering Committee may, if it deems necessary to study and conduct researches on important matters to be deliberated on and resolved by the Committee, appoint no more than three experienced professionals. In this case, Presidential Decree shall set forth such matters including the appointment process and expenses.
- (7) Matters necessary for the operation of the Committee, such as the holding of a meeting of the Committee and its convening procedures, the minutes of the Committee meeting and its distribution, shall be determined by the Presidential Decree.

#### **ARTICLE 13 (PROHIBITION ON DIVULGENCE OF CONFIDENTIAL INFORMATION)**

Current/former members of the Steering Committee and persons appointed under Paragraph (6) of Article 12 shall not reveal any confidential information obtained in the course of performing Committee activities.

#### **ARTICLE 14 (CIVIL MEMBER CANDIDATE NOMINATION COMMITTEE)**

- (1) The Corporation shall have the Civil Member Candidate Nomination Committee for the

purpose of recommendation of civil member candidates.

- (2) The Civil Member Candidate Nomination Committee shall have, as its members, no more than six persons, including one Chairman, with extensive knowledge and experience in financial industry as well as business management.
- (3) The Civil Member Candidate Nomination Committee shall be composed of the following persons <Amended on August 3, 2007>:
  1. One person nominated by an organization as determined by the Presidential Decree, from among the organizations, which consist of professors, researchers, etc. and have been established under the approval of the relevant governmental authority for the purpose of promotion of academic development of financial sector and contribution to the development of financial industry;
  2. One person nominated by the chairman of the Korea Financial Investment Association, established under Article 283 of the Financial Investment Services and Capital Markets Act;
  3. One person nominated by an organization as determined by the Presidential Decree, from among the organizations, which consist of financial institutions and have been established under the approval of the relevant governmental authority for the purpose of promotion of development of financial industry and collective administration of credit information;
  4. One person nominated by the chairman of the association constituting of life insurance companies, which is one of the associations established pursuant to - Article 175 of the Insurance Business Act;
  5. Deleted <Amended on August 3,2007>
  6. One person nominated by President of KICPA (Korea Institute of Certified Public Accountants), established under Article 41 of the Certified Public Accountant Act.
- (4) Other matters necessary for the operation of the Civil Member Candidate Nomination Committee shall be determined by the Presidential Decree.

### **CHAPTER 3. OFFICERS AND EMPLOYEES**

#### **ARTICLE 15 (OFFICERS)**

The Corporation shall have no more than five directors, including one President, and one auditor.

#### **ARTICLE 16 (QUALIFICATIONS OF OFFICERS)**

- (1) The President of the Corporation shall have had more than ten years of experience in either finance or investment related areas.
- (2) The Chief Investment Officer (“CIO”) shall have had more than ten years of experience in investment in either a domestic/overseas financial institution of more than a certain size determined by the Presidential Decree, or an international financial organization.
- (3) The auditor shall have at least one of the following qualifications:
  1. A person with more than ten years of experience in finance or investment related areas; or
  2. A certified public accountant with more than ten years of experience in corporate auditing.

#### **ARTICLE 17 (APPOINTMENT AND DISMISSAL OF OFFICERS)**

- (1) The President of the Corporation shall be appointed and dismissed by the President of the Republic of Korea upon request of the Minister of **Economy** and Finance through recommendation of the President Recommendation Committee pursuant to the provisions of Article 18 and deliberation by the Steering Committee. *<Amended on February 29, 2008>*
- (2) The directors, except the President, shall be appointed and dismissed by the President of the Corporation through deliberation by the Steering Committee.
- (3) The auditor shall be appointed and dismissed by the Minister of **Economy** and Finance through deliberation by the Steering Committee. *<Amended on February 29, 2008>*

#### **ARTICLE 18 (PRESIDENT RECOMMENDATION COMMITTEE)**

- (1) The Steering Committee shall have the President Recommendation Committee (hereinafter referred to as the “Recommendation Committee”) for the purpose of recommendation of the President candidates.
- (2) The Recommendation Committee shall be composed of each one person appointed by the head of trust institution, as prescribed under Item 1 of Paragraph (2) of Article 10, and the Civil Members.
- (3) The chairman of the Recommendation Committee shall be elected from among the Civil Members.

- (4) A resolution of the Recommendation Committee shall be adopted by an affirmative vote of a majority of all incumbent members.
- (5) The Recommendation Committee may request a professional agency for recruiting and inquiring into the President candidates.
- (6) Any other matters regarding the composition and operation of the Recommendation Committee shall be determined by the Presidential Decree.

#### **ARTICLE 19 (DUTIES OF OFFICERS)**

- (1) The President shall represent the Corporation and preside over the business of the Corporation.
- (2) If the President is unable to perform his duties due to unavoidable reasons, others shall act for the President in the order determined by the Articles of Incorporation.
- (3) The auditor shall audit the business and accounting of the Corporation.

#### **ARTICLE 20 (RESPONSIBILITIES OF OFFICERS)**

- (1) The provisions of Articles 399 to 401 of the Commercial Law concerning the responsibilities of director shall apply *mutatis mutandis* with respect to the directors of the Corporation.
- (2) The provisions of Articles 414 and 415 (only the applicable part of Article 400) of the Commercial Law concerning the responsibilities of auditor shall apply *mutatis mutandis* with respect to the auditor of the Corporation.

#### **ARTICLE 21 (TERM OF OFFICE OF OFFICERS)**

- (1) The term of office of the officers shall be 3 years.
- (2) If a vacancy occurs among the officers, an officer shall be newly appointed and the term of the new officer shall begin from the date of his appointment.

#### **ARTICLE 22 (DISQUALIFICATION FOR OFFICERS)**

No person falling under any subparagraph of Article 33 of the State Public Officials Act may be an officer of the Corporation.

#### **ARTICLE 23 (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 subparagraphs:

- (1) When he falls under Article 22;

- (2) When he violates this Act, the Decree of this Act, or the Articles of Incorporation;
- (3) When there is a resolution by the Steering Committee to dismiss an officer responsible for poor business performance; or
- (4) When he is unable to perform his duties on account of mental or physical disability.

#### **ARTICLE 24 (BOARD OF DIRECTORS)**

- (1) The Corporation shall have a Board of Directors.
- (2) The Board of Directors shall consist of the President and directors.
- (3) The Board of Directors shall resolve matters which shall be referred to the Committee as well as business of the Corporation as determined by the Articles of the Incorporation.
- (4) The President of the Corporation shall convene the meetings of the Board of Directors and shall be the chairman of such meetings.
- (5) The quorum of a meeting of the Board of Directors shall be a majority of all incumbent members and a resolution of the Board of Directors shall be adopted by an affirmative vote of a majority of the members present at the meeting.
- (6) The auditor may attend the meetings of the Board of Directors and state his opinion.

#### **ARTICLE 25 (APPOINTMENT OF REPRESENTATIVES)**

- (1) The President may appoint representatives, who are authorized to perform any judicial or extra-judicial activities relating to the business of the Corporation, from among officers or employees of the Corporation.
- (2) The Presidential Decree shall determine the scope of employees who may be appointed to perform judicial activities as prescribed by Paragraph (1).

#### **ARTICLE 26 (INTERNAL CONTROL STANDARDS)**

- (1) The Corporation shall prescribe fundamental procedures and standards (hereinafter referred to as the “internal control standards”) to be observed by its officers and employees when they perform their duties, in order to abide by the Act, manage its assets in a sound manner and protect investors.
- (2) The President shall have not less than one person (hereinafter referred to as “Compliance Officer”), who shall be responsible for the duties of checking on the observance of the internal control standards, investigating any violation of the internal control standards and reporting the findings of their investigation to the auditor.
- (3) The Corporation shall appoint and dismiss any Compliance Officer with the approval of the Steering Committee and the resolution of the Board of Directors pursuant to the provisions of Article 24.



- (4) The Compliance Officer shall satisfy the qualifications set forth in the Presidential Decree. <Amended on August 3, 2007>

**ARTICLE 27 (APPOINTMENT AND DISMISSAL OF EMPLOYEES)**

Employees of the Corporation other than the Compliance Officer shall be appointed and dismissed by the President of the Corporation in accordance with the Articles of Incorporation.

**ARTICLE 28 (PROHIBITION OF CONCURRENT HOLDING OF OFFICES, ETC.)**

- (1) No officer or employee shall be concurrently engaged in any business for profit-making, other than his office.
- (2) Article 13 applies to officers or employees of the Corporation, or the persons who had been in such positions. In this case, the ‘Committee activities’ shall be deemed “business of the Corporation.”

**CHAPTER 4. BUSINESS**

**ARTICLE 29 (SCOPE OF BUSINESS)**

- (1) The Corporation shall conduct the following business:
1. Management of assets which are entrusted by the trust institutions;
  2. Survey and research relating to Item 1, and exchange and cooperation with related domestic or overseas institutions; and
  3. Any other incidental business relating to Item 1 and Item 2 as resolved by the Committee.
- (2) The Corporation shall not take any action which may affect the value of assets under Item 1 of Paragraph (1) above, such as provision of collaterals and credit guarantee for others.

**ARTICLE 30 (ASSET TRUST CONTRACT)**

- (1) The asset trust contract to be entered into between the Corporation and the trust institution shall not have any provision that may restrict the investment instrument and management entrusted by the trust institution to the Corporation. Provided, however, that, the provision restricting the investment instrument can be included in the asset trust contract to be entered into by the Corporation with the Bank of Korea or a manager of fund under the Fund Management Framework Act (only the fund entrusting

asset of more than the certain amount set forth by the Presidential Decree).

- (2) The trust institution may insert the special provision into the asset trust contract to be entered into under Paragraph (1) above, whereby the trust institution may request the redemption of trust earlier than the expiry of agreed trust term in any of the events set forth by the Presidential Decree, including the event that it is deemed necessary to expand the asset reserved for external payment due to the sudden decrease of foreign reserve held by the trust institution.

**ARTICLE 31 (INVESTMENT INSTRUMENT, ASSET MANAGEMENT & ETC.)**  
**<Amended on August 3, 2007>**

- (1) The Corporation shall manage the assets by the following instruments:
  1. Trading of Securities as defined under Article 4 of the Act on Capital Market and Financial Investment Business <Amended on August 3, 2007>
  2. Trading of foreign exchanges as defined under Item 11 of Paragraph (1) of Article 3 of the Foreign Exchange Transaction Act;
  3. Transaction of derivatives as defined under Item 17 of Paragraph (1) of Article 3 of the Foreign Exchange Transaction Act;
  4. Deposits at domestic and overseas financial institutions;
  5. Purchase and sale of domestic and overseas real properties; and
  6. Other instruments prescribed under the Presidential Decree.
- (2) The Corporation may re-entrust the entrusted assets to domestic or overseas collective investment companies or asset management companies under the Act on Capital Market and Financial Investment Business <Amended on August 3, 2007>
- (3) The Corporation shall manage the entrusted assets outside of Korea as denominated in foreign currencies.
- (4) Notwithstanding Paragraph (3) above, the Corporation may manage the entrusted assets as denominated in Korean Won if it is temporarily unavoidable. In such cases, the Corporation shall manage the assets in a stable and neutral manner such as depositing the assets in financial institutions or purchasing public bonds, etc.
- (5) In order to enhance specialty in asset management, the Corporation shall asset management personnel, whose number shall be more than as specified in the Presidential Decree and who shall meet the requirements set forth in the Presidential Decree. <Newly added on August 3, 2007>

## **CHAPTER 5. FINANCE AND ACCOUNTING**

### **ARTICLE 32 (FISCAL YEAR)**

The fiscal year of the Corporation shall correspond to that of the Government.

### **ARTICLE 33 (SEPARATE ACCOUNTING)**

- (1) The accounting of the Corporation shall be made separately from the accounting of the entrusted assets.
- (2) The accounting of the entrusted assets shall be made separately per each trust institution.

### **ARTICLE 34 (BELONGING OF PROFITS FROM ASSET MANAGEMENT AND ASSET MANAGEMENT FEE)**

- (1) The profits from management of entrusted assets shall belong to trust institutions.
- (2) The procedures and method for payment of profits from asset management, and the asset management fee shall be determined through consultation between the trust institutions and the Corporation.

### **ARTICLE 34-2 (DISPOSAL OF PROFIT AND LOSS) <Added on August 3, 2007>**

When the Corporation has realized a profit as a result of settling the accounts for a fiscal year, it shall dispose of the profit in the following order:

1. Making up any deficit brought forward;
2. Accumulation of an earned surplus reserve of at least 1/10 of the profit, until it reaches an amount equal to half of the capital;
3. Payment to the national treasury;-
4. Accumulation of a reserve, other than an earned surplus reserve, pursuant to subparagraph 2.

## **CHAPTER 6 SUPPLEMENTARY PROVISIONS**

### **ARTICLE 35 (SUPERVISION)**

- (1) The Committee, as prescribed under the Presidential Decree, may have the President of the Corporation report matters pertaining to corporate management and asset management, and if necessary, inspect business of the Corporation.
- (2) The Committee, as determined by the Presidential Decree, may entrust the inspection business pursuant to Paragraph (1) to a related specialized institution.
- (3) The Committee may, as a result from inspection of the business pursuant to Paragraph (1), may deliberate and resolve matters concerning dismissal of an officer deemed responsible for poor business performance.

- (4) The related central administrative agencies and the trust institutions shall not order reports or request for materials, inspect or give orders, or exercise supervision regarding the business of the Corporation, other than supervising through the Committee as prescribed by Paragraph (1).

#### **ARTICLE 36 (PUBLIC DISCLOSURE)**

- (1) As prescribed by the Articles of Incorporation, the Corporation shall make public disclosure on each of the following Items relating to business and investment policies (including any public disclosure on the internet and the same applies below):
  1. Financial statements and accounting standards;
  2. Audit report for financial statements; and
  3. Mid- and long-term investment policies as resolved by the Committee.
- (2) The Corporation shall make public disclosure on each of the following Items relating to the performance of its management of entrusted assets, etc. each year, in accordance with the Articles of Incorporation:
  1. Total amount of asset under its management;
  2. Management profit rate for the whole asset;
  3. Composition ratio and profit rate of each asset category as set forth by the Presidential Decree; and
  4. Change of professional fund managers.

#### **ARTICLE 37 (NON-DISCLOSURE OF INFORMATION RELATING TO CORPORATE MANAGEMENT AND ASSET MANAGEMENT)**

- (1) Notwithstanding the provisions of Article 36, the Corporation may reject the provision of information request by individual, entity or organization if such information falls under the provisions of Item 7 of Paragraph (1) of Article 9 of the Act on Disclosure of Information by Public Agencies. However, the Corporation may not reject the provision of information request by the National Assembly under the Act on Testimony, Appraisal, etc. before the National Assembly.
- (2) The information relating to the corporate management and asset management of the Corporation provided to the National Assembly pursuant to the provisions of Paragraph (1) shall not be disclosed to the public, except such disclosure is permitted by a resolution of the standing committee relevant to the Corporation.

#### **ARTICLE 38 (RELATION WITH OTHER LAWS)**

- (1) The Corporation shall not be subject to the Framework Act on the Management of Government-Invested Institutions and the Basic Act on the Management of Government Affiliate Institutions. Provided, however, that the Minister of **Economy** and Finance may prepare the standards of evaluation of management performance of the Corporation and present it to the Committee. <Amended on February 29, 2008>
- (2) The Corporation shall be deemed to have completed the following registration and report and/or obtained the following approval for the transactions pursuant to each Item

of Paragraph (1) of Article 31 and Paragraph (2) of Article 31:

1. Registration required under Paragraph (1) of Article 8 of the Foreign Exchange Transactions Act;
  2. Report required under Paragraph (1) of Article 18 of the Foreign Exchange Transactions Act;
  3. Approval required under Paragraph (2) of Article 18 of the Foreign Exchange Transactions Act; and
  4. Acceptance of report required under Paragraph (4) of Article 18 of the Foreign Exchange Transactions Act.
- (3) Notwithstanding the provision of Paragraph (3) of Article 13 of the Foreign Exchange Transactions Act, the Foreign Exchange Equalization Fund may be contributed or entrusted to the Corporation.
- (4) Deleted, <Amended on August 3, 2007>
- (5) The Corporation shall not be subject to the Act on Capital Market and Financial Investment Business except for Articles 54, 63, 88 and 91 thereof and those specifically provided in this Act. <Amended on August 3, 2007>

#### **ARTICLE 39 (DEEMED PUBLIC OFFICIALS IN APPLICATION OF PENAL PROVISIONS)**

The members pursuant to Item 1 of Paragraph (2) of Article 10, who are not public officials, the Civil Members pursuant to Item 2 of Paragraph (2) of Article 10, the officers of the Corporation and the employees of the Corporation as set forth by the Presidential Decree shall be considered as public officials in application of Articles 129 through 132 of the Criminal Act.

### **CHAPTER 7. PENAL PROVISIONS**

#### **ARTICLE 40 (PENAL PROVISIONS)**

Any person, who divulges the confidential information in violation of Article 13 (including any divulgence by a person as set forth in Paragraph (2) of Article 28) shall be punished by imprisonment for not more than two years or by a fine not exceeding ten million won.

#### **ARTICLE 41 (FINE FOR NEGLIGENCE)**

- (1) A person who falls under any of the following Items shall be punished by a fine for negligence not exceeding five million won:

1. In violation of Article 8, a person who uses any terms similar to the name of the Corporation for its corporate name; or
  2. In violation of Paragraph (1) of Article 28, a person who is concurrently engaged in any business for profit-making, other than his office.
- (2) The fine for negligence as prescribed in Paragraph (1) shall be imposed and collected by the Minister of **Economy** and Finance under the conditions as prescribed by the Presidential Decree. <Amended on February 29, 2008>
- (3) Any person who disobeys the disposition of the fine for negligence pursuant to Paragraph (2) may raise an objection to the Minister of **Economy** and Finance within 30 days from the date of notification. <Amended on February 29, 2008>
- (4) If a person who is subject to the disposition of fine for negligence pursuant to Paragraph (2) has raised an objection under Paragraph (3), the Minister of **Economy** and Finance shall notify it to the competent court without delay, and the competent court notified shall decide on the fine for negligence pursuant to the Non-Contentious Case Litigation Procedure Act. <Amended on February 29, 2008>
- (5) If no objection is raised within the definite period of time pursuant to Paragraph (3) and no fine for negligence is paid, the fine for negligence shall be collected according to examples of the disposition on the national taxes in arrears.

## **ADDENDA**

### **ARTICLE 1 (EFFECTIVE DATE)**

This Act shall take effect on July 1, 2005. However, Article 2 of the Addenda shall take effect on the date of its promulgation.

### **ARTICLE 2 (ESTABLISHMENT COMMITTEE)**

- (1) The Minister of **Economy** and Finance shall appoint the following persons as commissioners for Establishment Committee and form an Establishment Committee, and have the Establishment Committee manage general affairs regarding preparation for establishment of the Corporation.
1. Vice Minister of **Economy** and Finance;
  2. One person nominated by President of KMFA (Korea Money and Finance Association);

3. One person nominated by President of AMAK (Asset Management Association of Korea), established under Article 160 of the Indirect Investment Asset Management Business Act;
  4. One person nominated by President of KFB (Korea Federation of Banks);
  5. One person nominated by the Chairman of the association constituting of life insurance companies, which is one of the associations established pursuant to Article 175 of the Insurance Business Act;
  6. One person nominated by President of KSDA (Korea Securities Dealers Association) established under Article 162 of the Securities and Exchange Act; and
  7. One person nominated by President of KICPA (Korean Institute of Certified Public Accountants) established under Article 41 of the Certified Public Accountant Act.
- (2) The chairman of the Establishment Committee shall be elected among its members.
  - (3) Notwithstanding the Article 9 and Article 17 of this Act, the Establishment Committee shall deliberate and resolve matters regarding the appointment and dismissal of the first officers of the Corporation. However, this shall apply to the qualifications of officers pursuant to Article 16.
  - (4) The Establishment Committee shall prepare the Articles of Incorporation and obtain the approval of the Minister of **Economy** Finance thereon.
  - (5) After obtaining the approval of the Minister of **Economy** and Finance pursuant to Paragraph (4), the Establishment Committee shall register the establishment of the Corporation under the joint names of its members.
  - (6) Upon completion of registration of the establishment of the Corporation pursuant to Paragraph (5), the Establishment Committee shall transfer its affairs and property to the President of the Corporation.
  - (7) The Establishment Committee shall be deemed to be dissolved when its affairs and property are transferred pursuant to Paragraph (6).

### **ARTICLE 3 (COST OF ESTABLISHMENT)**

The expenses for establishment of the Corporation shall be paid by the Corporation.

### **ARTICLE 4 (TRANSITIONAL MEASURES CONCERNING ENTRUSTMENT OF FUND ASSET TO THE CORPORATION)**

With respect to the funds under the Fund Management Framework Act, the Corporation can be entrusted with the assets of such funds from January 1, 2007 after the government requests an outside agency to evaluate the Corporation's management of entrusted assets and report the result to the National Assembly. However, the Corporation can be entrusted with the assets of the Foreign Exchange Equalization Fund from the effective date of this Act.

### **ARTICLE 5 (SPECIAL TREATMENT WITH REGARD TO MANAGEMENT EVALUATION OF THE CORPORATION)**

The government shall make a request for a management evaluation to an outside agency three years after the establishment of the Corporation and report the result to the National Assembly.

**ADDENDA**

(Act on Capital Market and Financial Investment Business)

<Act No. 8635, August 3, 2007>

*<Omitted since all changes are incorporated in the above>*

**ADDENDA**

(Government Organization Act)

<Act No. 88852, February 29, 2008>

*<Omitted since all changes are incorporated in the above>*

**ADDENDA**

(Government Organization Act)

<Act No. 10904, July 25, 2011>

*<Omitted since all changes are incorporated in the above>*