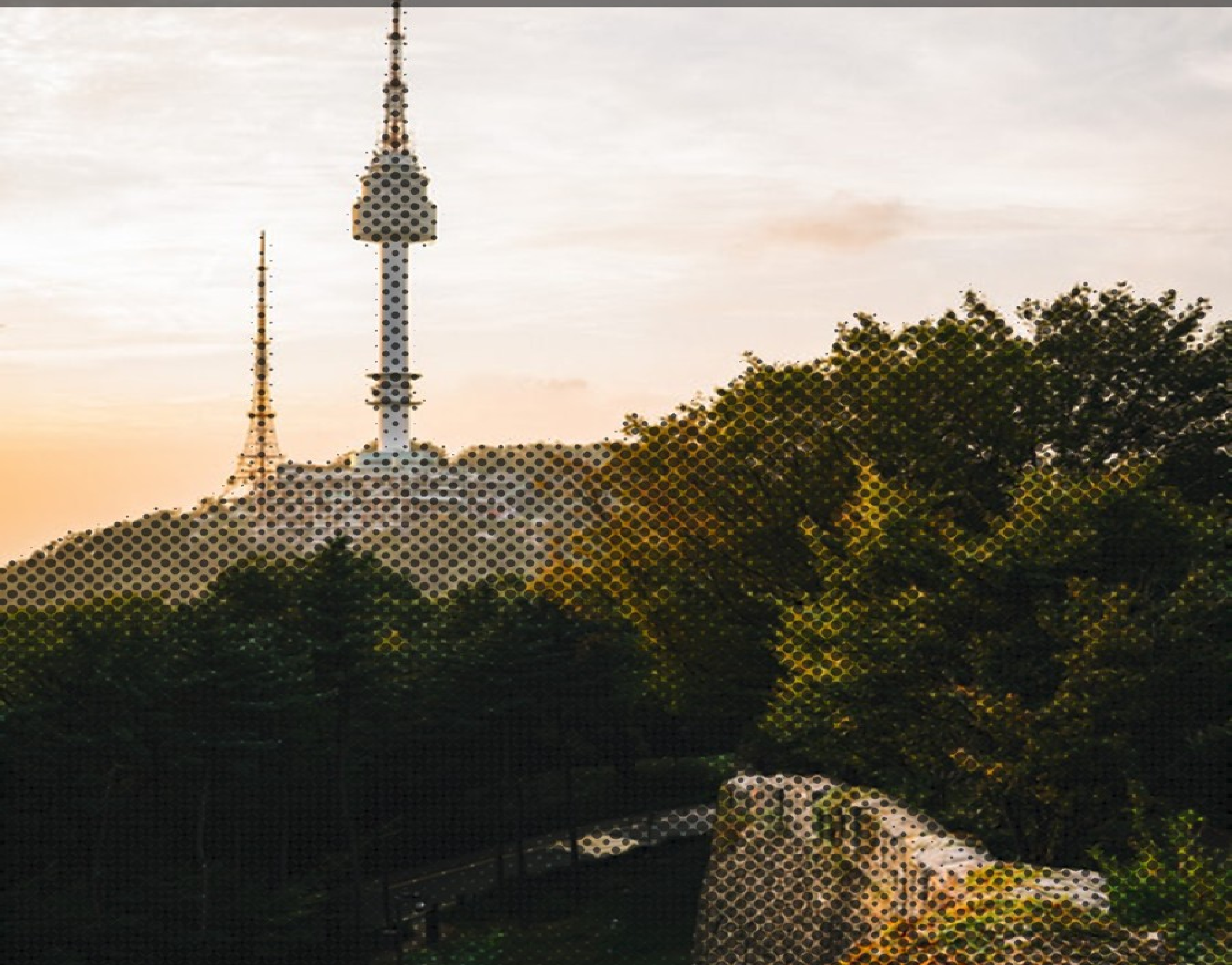
The Government of the Republic of Korea



Foreign Exchange Transactions Act

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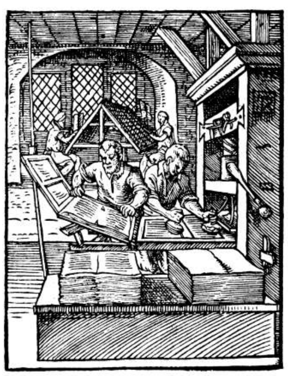

Published by Good Press, 2022

goodpress@okpublishing.info

EAN 4064066317096

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CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to contribute to the development of the national economy by striving to facilitate foreign transactions, to maintain a balance of international payments and to stabilize the value of currency by ensuring the liberalization of foreign exchange transactions and of other foreign transactions and by revitalizing market functionality.

[This Article Is Wholly Amended by Act No. 9351, Jan. 30, 2009]

Article 2 (Objects of Application)(1) This Act shall apply to any of the following matters:

1. Foreign exchange in the Republic of Korea, foreign exchange transactions performed in the Republic of Korea, or other acts related thereto;

2. Transactions, payment or receipts between the Republic of Korea and a foreign country, or other acts related thereto (including those which are performed in a foreign country and which have an effect in the Republic of Korea);

3. Transactions by a private person having domicile or residence in a foreign country and a juristic person having its main office in a foreign country, which are denominated in the currency of the Republic of Korea or in which payment is able to be made in such currency, or other acts related thereto;

4. Acts conducted by a private person having domicile or residence in the Republic of Korea, or his/her agents,

employees or other employed persons in connection with his/her assets or business in a foreign country; or

5. Acts conducted by the representative, agents, employees or other employed persons of a juristic person having its main office in the Republic of Korea in connection with the assets or business of the juristic person in a foreign country.

(2) The scope of “other acts related thereto” referred to in paragraph (1) 1 through 3 shall be prescribed by Presidential Decree.

[This Article Is Wholly Amended by Act No. 9351, Jan. 30, 2009]

Article 3 (Definitions)(1) The definition of the terms used in this Act shall be as follows:

1. The term “domestic currency” means Won currency, which is the legal currency of the Republic of Korea;

2. The term “foreign currency” means any currency other than domestic currency;

3. The term “means of payment” means those falling under any of the following items:

(a) Government notes, bank notes, coins, checks, postal money orders, or letters of credit;

(b) Bills of exchange, promissory notes and other payment orders as prescribed by Presidential Decree;

(c) Vouchers, plastic cards or other Articles in which the asset value is embedded by electronic or magnetic means and which many unspecified persons are able to use for payment in lieu of currency, which are prescribed by Presidential Decree;

4. The term “foreign means of payment” means a mode of payment denominated in foreign currency, or other modes of payment which can be used in a foreign country regardless of the denominating currency;

5. The term “domestic means of payment” means any modes of payment other than foreign means of payment;

6. The term “precious metals” means gold or ingots intermixed with gold, non-negotiable gold coins, or other products and processed Articles which are chiefly made of gold;

7. The term “securities” means securities under Article 4 of the Financial Investment Services and Capital Markets Act and those prescribed by Presidential Decree, which do not fall under subparagraph 3;

8. The term “foreign currency securities” means securities denominated in foreign currency, or those which are able to be paid for in a foreign country;

9. The term “derivatives” means derivatives under Article 5 of the Financial Investment Services and Capital Markets Act and others prescribed by Presidential Decree;

10. The term “foreign currency derivatives” means derivatives denominated in foreign currency or those which are able to be paid for in a foreign country;

11. The term “claims” means rights to request for the payment of money accruing from all kinds of deposits, trusts, guarantees, lending and borrowing and which do not fall under subparagraphs 1 through 10;

12. The term “foreign currency claims” means claims denominated in foreign currency or those which are able to be paid for in a foreign country;

13. The term “foreign exchange” means foreign means of payment, foreign currency securities, foreign currency derivatives and foreign currency claims;

14. The term “resident” means any private person who has domicile or residence in the Republic of Korea, and any juristic person whose main office is located in the Republic of Korea;

15. The term “non-resident” means any private person and any juristic person other than residents. Provided, that branch offices, local offices or other offices of non-residents located in the Republic of Korea, shall be deemed residents regardless of whether or not such offices have an authority of an agent under the law;

16. The term “foreign exchange affairs” means those referred to in any of the following items:

(a) Issuance or purchase and sale of foreign exchange;

(b) Payment, collection and receipt between the Republic of Korea and a foreign country;

(c) Deposits, lending and borrowing of money, or guarantee with residents which is denominated in or paid for with foreign currency;

(d) Deposits, lending and borrowing of money or guarantee with nonresidents; and

(e) Other affairs which are similar to the provisions of items (a) through (d) and which are prescribed by Presidential Decree;

17. The term “financial institutions” means institutions referred to in Article 38 (excluding subparagraphs 14 and 15) of the Establishment of Financial Services Commission Act, and other persons who conduct financial business and