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Depositor Protection Act

National Assembly of the Republic of Korea

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DEPOSITOR PROTECTION ACT

Act No. 5042, Dec. 29, 1995

Amended by Act No. 5257, Jan. 13, 1997

Act No. 5403, Aug. 30, 1997

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. 7, 1999

Act No. 6173, Jan. 21, 2000

Act No. 6274, Oct. 23, 2000

Act No. 6323, Dec. 30, 2000

Act No. 6429, Mar. 28, 2001

Act No. 6626, Jan. 26, 2002

Act No. 6807, Dec. 26, 2002

Act No. 6891, May 29, 2003

Act No. 7027, Dec. 31, 2003

Act No. 7428, Mar. 31, 2005

Act No. 7615, Jul. 29, 2005

Act No. 7885, Mar. 24, 2006

Act No. 8635, Aug. 3, 2007

Act No. 8702, Dec. 21, 2007

Act No. 8863, Feb. 29, 2008

Act No. 8852, Feb. 29, 2008

Act No. 9134, Sep. 26, 2008

Act No. 9401, Jan. 30, 2009

Act No. 9392, Jan. 30, 2009

Act No. 9406, Feb. 3, 2009

Act No. 10303, May 17, 2010

Act No. 10476, Mar. 29, 2011

Act No. 10522, Mar. 31, 2011

Act No. 10691, May 19, 2011

Act No. 10854, Jul. 14, 2011
Act No. 11845, May 28, 2013
Act No. 12494, Mar. 18, 2014
Act No. 12714, May 28, 2014
Act No. 13453, Jul. 31, 2015
Act No. 13613, Dec. 22, 2015
Act No. 14128, Mar. 29, 2016
Act No. 14242, May 29, 2016

Article 1 (Purpose)

The purpose of this Act is to contribute to protection of depositors, etc. and maintenance of the stability of the financial system by efficiently operating the deposit insurance system, etc. in order to cope with a situation in which a financial company is unable to pay back deposits, etc. due to its bankruptcy, etc.

Article 2 (Definitions)

The terms used in this Act shall be defined as follows:

1. The term "insured financial companies" means any of the following financial companies, the deposits of which are covered by deposit insurance under this Act:
 - (a) Banks authorized pursuant to Article 8 (1) of the Banking Act;
 - (b) The Korea Development Bank under the Korea Development Bank Act;
 - (c) The Industrial Bank of Korea under the Industrial Bank of Korea Act;
 - (d) The NH Bank under the Agricultural Cooperatives Act;
 - (e) Suhyup Bank established under the Fisheries Cooperatives Act;
 - (f) Branches and agencies of foreign banks in the Republic of Korea authorized pursuant to Article 58 (1) of the Banking Act (excluding branches and agencies of foreign banks in the Republic of Korea prescribed by Presidential Decree);
 - (g) Investment dealers and investment brokers authorized to engage in investment trading business and investment intermediary business dealing in securities prescribed in Article 3 (2) of the Financial Investment Services and Capital Markets Act pursuant to Article 12 of the aforementioned Act (excluding multilateral-trade contracting company under Article 78 of the aforesaid Act and those prescribed by Presidential Decree, who are investment dealers and investment brokers who do not take deposits, etc.);
 - (h) Securities finance companies authorized pursuant to Article 324 (1) of the Financial Investment Services and Capital Markets Act;
 - (i) Insurance companies which have obtained a license pursuant to Article 4 (1) of the Insurance Business Act (excluding insurance companies prescribed by Presidential Decree, which mainly provide reinsurance or guarantee insurance);

- (j) Merchant banks prescribed in the Financial Investment Services and Capital Markets Act;
- (k) Mutual savings banks and the Korea Federation of Savings Banks prescribed in the Mutual Savings Banks Act;

2. The term "deposits, etc." means money falling under any of the following: Provided, That the scope thereof may be limited by Presidential Decree:

(a) Money which insured financial companies (hereinafter referred to as "banks") under subparagraph 1 (a) through (f) have raised by owing debts to an unspecified number of persons through deposits, installment deposits, installments, etc. and money which they have raised through money trusts, etc. the principals of which are compensated pursuant to Article 103 (3) of the Financial Investment Services and Capital Markets Act;

(b) Money deposited in insured financial companies under subparagraph 1 (g) and (h) (hereinafter referred to as "investment dealers and investment brokers") by customers related to the trading and other transactions of securities under Article 3 (2) of the Financial Investment Services and Capital Markets Act (in cases of securities finance companies under subparagraph 1 (h), including money deposited pursuant to Article 330 (1) of the aforementioned Act), and money which they have raised through money trusts, etc. the principals of which are compensated pursuant to Article 103 (3) of the aforementioned Act;

(c) Insurance premiums which insured financial companies under subparagraph 1 (i) (hereinafter referred to as "insurance companies") have received according to the insurance contracts, money which insurance companies have received to guarantee insurance, etc. to the minimum in variable life insurance contracts under Article 108 (1) 3 of the Insurance Business Act, and money which they have raised through money trusts, etc. the principals of which are compensated pursuant to Article 103 (3) of the Financial Investment Services and Capital Markets Act;

(d) Money which insured financial companies under subparagraph 1 (j) (hereinafter referred to as "merchant banks"), and a bank or investment dealer or investment broker that merged with a merchant bank pursuant to the Act on the Structural Improvement of the Financial Industry have raised by drawing bills pursuant to Article 336 (1) of the Financial Investment Services and Capital Markets Act, and money which they have raised through financial products whereby they raise funds from an unspecified number of persons and invest such funds in securities, and pay the proceeds from investments;

(e) Money which insured financial companies under subparagraph 1 (k) (hereinafter referred to as "mutual savings banks") have raised in the form of fraternity dues, installments, deposits, installment deposits, etc.: Provided, That in cases of the Korea Federation of Savings Banks, it shall be limited to only money raised by issuing cashier's checks;

3. The term "depositors, etc." means those who have claims, such as deposits against insured financial companies;

4. The term "claims such as deposits" means the capital, principal, interest, profits, insurance money, various payments and other agreed pecuniary claims which depositors have against insured financial companies through financial transactions, such as deposits;
5. The term "insolvent financial companies" means any of the following insured financial companies:
- (a) Insured financial companies determined as insolvent financial companies by the Financial Services Commission or the Deposit Insurance Committee under Article 8, the liabilities of which exceed their assets as a result of an actual examination of management or which will clearly encounter difficulties in normal management because their liabilities exceed their assets due to large financial losses or non-performing loans;
 - (b) Insured financial companies whose payment of claims, such as deposits, or repayment of loans from other financial companies is under suspension;
 - (c) Insured financial companies recognized by the Financial Services Commission or the Deposit Insurance Committee under Article 8 as having difficulty in paying claims, such as deposits, or repaying loans without receiving financing from outside sources or extra loans (excluding loans that take place in normal financial transactions);
6. The term "insolvency-threatened financial companies" means insured financial companies determined by the Deposit Insurance Committee under Article 8 as those which are highly likely to go insolvent due to their poor financial standing;
7. The term "financing" means the following provided by the Korea Deposit Insurance Corporation established pursuant to Article 3 at the expense of the Deposit Insurance Fund under Article 24 (1) (hereinafter referred to as the "Deposit Insurance Fund") or the Bond Redemption Fund of the Deposit Insurance Fund (hereinafter referred to as the "Redemption Fund") under Article 26-3 (1):
- (a) Making loans or accepting deposits;
 - (b) Purchasing assets;
 - (c) Guaranteeing or underwriting of debts;
 - (d) Investments or contributions;
8. The term "insurance troubles" means any of the following insurance troubles:
- (a) Suspension of payment of claims, such as deposits, by insured financial companies (hereinafter referred to as "Class 1 insurance trouble");
 - (b) Cancellation of approval and permission for business of, a resolution concerning the dissolution of or a declaration of bankruptcy, of insured financial companies (hereinafter referred to as "Class 2 insurance trouble").

Article 3 (Establishment)

The Korea Deposit Insurance Corporation shall be established to efficiently operate the deposit insurance system, etc. under this Act.

Article 4 (Legal Personality)

(1) The Korea Deposit Insurance Corporation (hereinafter referred to as the "Corporation") shall be a non-capital special corporation.

(2) The Corporation shall be operated, as prescribed by this Act, orders issued under this Act, and its articles of incorporation.

Article 5 (Registration)

(1) The Corporation shall be registered, as prescribed by Presidential Decree.

(2) The Corporation shall be formed by registering its incorporation at the location of its main office.

(3) For matters required to be registered pursuant to paragraph (1), the Corporation shall not stand against any third party unless the registration of such matters is completed.

Article 5-2 (Offices)

(1) The Corporation shall establish its main office in Seoul.

(2) Where necessary to conduct its affairs, the Corporation may have branch offices or sub-branches, as prescribed by its articles of incorporation.

Article 6 (Articles of Incorporation)

(1) The following matters shall be included in the articles of incorporation of the Corporation:

1. Purpose;
2. Name;
3. Location of its offices;
4. Matters relating to the Deposit Insurance Fund and the Redemption Fund;
5. Matters relating to the Deposit Insurance Committee;
6. Matters relating to the board of directors;
7. Matters relating to executives and employees;
8. Matters relating to its affairs and the conduct thereof;
9. Matters relating to accounting;
10. Matters relating to the alteration of the articles of incorporation;
11. Methods of making public announcements.

(2) When the Corporation intends to change its articles of incorporation, it shall obtain authorization from the Financial Services Commission through a resolution of the Deposit Insurance Committee established pursuant to Article 8.

Article 7 (Prohibition of Use of Similar Name)

No person other than the Corporation shall use "Korea Deposit Insurance Corporation" or a name similar thereto.

Article 8 (Deposit Insurance Committee)

(1) The Deposit Insurance Committee (hereinafter referred to as the "Committee") shall be established in the Corporation.

(2) The Committee shall formulate a basic policy relating to the operation of the Corporation and deliberate on a plan for the management of funds, etc., as prescribed by this Act, orders issued under this

Act, or its articles of incorporation.

Article 9 (Composition of Committee)

(1) The Committee shall consist of the following seven members:

1. The president of the Corporation;
2. The Vice Chairman of the Financial Services Commission;
3. The Vice Minister of Strategy and Finance appointed by the Minister of Strategy and Finance;
4. The Deputy Governor of the Bank of Korea;
5. One member commissioned by the Financial Services Commission, and two members commissioned by the Financial Services Commission on the recommendation of the Minister of Strategy and Finance and the Governor of the Bank of Korea, respectively.

(2) Qualification of members referred to in paragraph (1) 5 shall be prescribed by Presidential Decree.

(3) The term of office of the members referred to in paragraph (1) 5 shall be three years, and they may serve two consecutive terms.

Article 9-2 (Prohibition of Political Activities)

Notwithstanding Article 22 of the Political Parties Act, any member referred to in Article 9 (1) 5 may not join any political party and participate in any political campaign.

Article 9-3 (Guarantee of Status of Members, etc.)

(1) Any member referred to in Article 9 (1) 5 shall not be dismissed against his/her will until his/her term of office expires unless he/she falls under any of the following:

1. Where he/she falls under any of the subparagraphs of Article 16;
2. Where he/she has great difficulty in performing his/her duties due to his/her mental or physical disability;
3. Where it is inappropriate for him/her to continuously perform his/her duties as a member because he/she has violated his/her official duty under this Act.

(2) Where a member referred to in Article 9 (1) 5 is dismissed for reasons stipulated in the subparagraphs of paragraph (1), no act he/she performs as a member before he/she is dismissed shall lose its effect.

Article 10 (Operation)

(1) The president of the Corporation shall become the Chairperson of the Committee.

(2) The Chairperson shall represent the Committee and preside over its affairs.

(3) When the Chairperson is unable to perform his/her duties for reasons beyond his/her control, members referred to in Article 9 (1) 2 through 4 shall perform his/her duties on his/her behalf in prescribed order.

(4) The Committee shall hold meetings when a majority of its members attend the meetings and pass resolutions with the concurrence of a majority of the members present: Provided, That the Committee shall pass a resolution concerning financing under Article 38-4 (3) with the concurrence of at least two-thirds of the incumbent members.

(5) The Committee shall prepare the minutes of the Committee, and make them public as determined by the Committee.

(6) If necessary, the Committee may require those who are deemed to represent insured financial companies, relevant experts, etc. to attend meetings of the Committee, and hear their opinions.

(7) Other than those matters prescribed in paragraphs (1) through (6), necessary matters concerning the operation of the Committee shall be prescribed by Presidential Decree.

Article 11 (Executives)

(1) The Corporation shall have one president, not more than five executive directors including one vice president, not more than seven non-executive directors, and one auditor.

(2) When a vacancy occurs in the position of executives, such vacancy shall be filled by appointment, and the term of office of the new executive shall be counted from the date on which he/she is appointed.

Article 12 (Duties of Executives)

(1) The president shall represent the Corporation, and preside over its affairs.

(2) The vice president shall assist the president, and executive directors and non-executive directors excluding the vice president (hereinafter referred to as "director") shall assist the president and the vice president; each director shall take charge of divided affairs of the Corporation, as prescribed by the articles of incorporation.

(3) The auditor shall inspect affairs and audit the accounts of the Corporation.

Article 13 (Guarantee of Status of Executives)

No executive shall be dismissed against his/her will before his/her term of office expires unless he/she falls under any of the following:

1. Where he/she falls under any of the subparagraphs of Article 16;
2. Where he/she violates this Act, any order under this Act or the articles of incorporation;
3. Where it is very difficult for him/her to perform his/her duties due to his/her mental or physical disability;
4. Where a person who has authority to appoint him/her dismisses him/her pursuant to Articles 22 (1), 31 (6), 35 (2) and (3), 36 (2) and 48 (4) and (8) of the Act on the Management of Public Institutions, or there is a reason prescribed by the articles of incorporation.

Article 14 (Board of Directors)

(1) The board of directors shall be established in the Corporation.

(2) The board of directors shall consist of the president, vice president, and directors.

(3) The board of directors shall resolve principal matters relating to the business of the Corporation.

(4) The auditor may attend meetings of the board of directors and state his/her opinion.

Article 15 (Appointment and Dismissal of Employees)

Employees of the Corporation shall be appointed and dismissed by the president.

Article 15-2 (Appointment of Agents)

(1) The president may appoint an agent who has the authority to perform all judicial or extrajudicial actions relating to affairs of the Corporation from among the vice president, directors, or employees of the Corporation.

(2) The scope of employees who can be appointed as a judicial representative pursuant to paragraph (1) shall be prescribed by Presidential Decree.

Article 15-3 (Request for Dispatch of Public Officials, etc.)

(1) Where the president of the Corporation deems it necessary to conduct affairs, he/she may request relevant administrative agencies, or corporations or organizations to dispatch their public officials, or executives or employees (hereafter in this Article referred to as "dispatched employees"). In such cases, he/she shall hold prior consultations with the Chairperson of the Financial Services Commission.

(2) Where the president of the Corporation requests the Chairperson of the Financial Services Commission to hold prior consultations pursuant to the latter part of paragraph (1), he/she shall submit a document stating the number of dispatched employees, the period of dispatch, reasons for requesting dispatch, and requirements for qualification to the Chairperson of the Financial Services Commission.

(3) Where dispatched employees conduct affairs under Article 18, they shall be regarded as employees of the Corporation.

Article 16 (Grounds for Disqualification of Executives and Employees)

None of the following persons shall be an executive of the Corporation, and a person who falls under subparagraph 3 shall not become an employee of the Corporation:

1. A person who is not a national of the Republic of Korea;
2. A person who falls under Article 34 (1) 2 of the Act on the Management of Public Institutions;
3. A person who falls under any of the subparagraphs of Article 33 of the State Public Officials Act.

Article 17 (Duty of Confidentiality)

No person who is or was an executive or employee of the Corporation shall divulge confidential information he/she has officially learned.

Article 18 (Scope of Affairs)

(1) The Corporation shall conduct the following affairs to achieve the purpose of this Act:

1. Management and operation of the Deposit Insurance Fund;
2. Management and operation of the Redemption Fund;
3. Exercise, etc. of the right to claim damages on behalf of others under Article 21-2;
4. Calculation and receipt of insurance premiums under Article 30 and special contributions for the redemption of bonds of the Deposit Insurance Fund under Article 30-3 (hereinafter referred to as "special contributions");
5. Payment and calculation of insurance money, etc. referred to in Articles 31 and 32;
6. Liquidation, etc. of insolvent financial companies under CHAPTER IV;
7. Affairs incidental to affairs under subparagraphs 1 through 6;
8. Affairs entrusted or designated by the Government to protect depositors, etc.;
9. Other affairs prescribed by other Acts and subordinate statutes.

(2) The Corporation may enact regulations concerning the conduct of its affairs after deliberation by the Committee.

Article 19 Deleted. <by Act No. 5492, Dec, 31, 1997>

Article 20 (Conducting Affairs on Behalf of Corporation)

(1) If necessary, the Corporation may require any agency (hereinafter referred to as "agency conducting affairs on behalf of the Corporation") to conduct part of its affairs.

(2) The scope of agencies conducting affairs on behalf of the Corporation shall be prescribed by Presidential Decree.

Article 21 (Requesting Insured Financial Companies to Submit Data)

(1) The Corporation may request an insured financial company and a financial holding company which controls such insured financial company as its subsidiary, etc. under the Financial Holding Companies Act to submit data related to its affairs and financial conditions to the extent necessary to conduct affairs concerning the determination of an insolvent financial company or insolvency-threatened financial companies, the calculation and receipt of insurance premiums and special contributions under Articles 30 and 30-3, the payment and calculation of insurance money under Articles 31 and 32, and the liquidation of insolvent financial companies under CHAPTER IV.

(2) Where the Corporation deems an insured financial company is likely to go insolvent in accordance with standards prescribed by Presidential Decree based on data, etc. submitted pursuant to paragraph (1), or verification under paragraph (5) is not made, it may inspect affairs and financial conditions of an insured financial company and a financial holding company which controls such insured financial company as its subsidiary, etc. under the Financial Holding Companies Act.

(3) Where the Corporation deems it necessary to protect depositors, etc. and maintain the stability of the financial system, it may request the Governor of the Financial Supervisory Service established pursuant to the Act on the Establishment, etc. of Financial Services Commission (hereinafter referred to as the "Governor of the Financial Supervisory Service") to inspect an insured financial company and a financial holding company which controls such insured financial company as its subsidiary, etc. under the Financial Holding Companies Act.

(4) Where the Corporation deems it necessary to protect depositors, etc., it may request the Governor of the Financial Supervisory Service to provide data related to an insured financial company and a financial holding company which controls such insured financial company as its subsidiary, etc. under the Financial Holding Companies Act to a specific extent defined. In such cases, the Governor of the Financial Supervisory Service shall comply with such request.

(5) Where the Corporation deems it necessary to verify whether or not data provided pursuant to paragraph (4) are true and authentic in order to determine whether an insured financial company is in danger of falling into insurance troubles, it may request the Governor of the Financial Supervisory Service to verify, within a fixed period of one month, whether or not such data are true and authentic through inspections, etc. of the relevant insured financial company and a financial holding company which controls such insured financial company as its subsidiary, etc. under the Financial Holding Companies Act.

(6) The Corporation may request the Governor of the Financial Supervisory Service to take necessary corrective measures against the relevant insured financial company and a financial holding company which controls such insured financial company as its subsidiary, etc. under the Financial Holding Companies Act according to the result of inspection referred to in paragraph (2). In such cases, the Governor of the Financial Supervisory Service requested shall comply with such request except for extenuating circumstances, and send the result of measures he/she has taken, and the details of implementation followed by institutions subject to such measures to the Corporation.

(7) Where the Corporation deems an insured financial company is in danger of falling into insurance troubles as a result of inspection under paragraph (2), it shall notify the Financial Service Commission of its opinion and request the Financial Service Commission to take appropriate measures. In such cases, the Financial Service Commission in receipt of such request shall comply with the request except for extenuating circumstances.

(8) The Corporation may request the Governor of the Financial Supervisory Service to send the result of inspection under paragraph (3) or request him/her to take necessary corrective measures against the relevant insured financial company and a financial holding company which controls such insured financial company as its subsidiary, etc. under the Financial Holding Companies Act in accordance with the results of inspection. In such cases, the Governor of the Financial Supervisory Service in receipt of such request shall comply with the request and send the result of measures he/she has taken, and the details of implementation followed by institutions subject to such measures to the Corporation.

Article 21-2 (Exercise, etc. of Right to Claim Damages on Behalf of Others)

(1) In any of the following cases, the Corporation may request an insolvent financial company or insolvency-threatened financial companies (hereinafter referred to as "insolvent financial company, etc.", including the liquidated corporation or the bankruptcy foundation thereof in this Article only) to require persons related to insolvency who are deemed responsible for the insolvency thereof or concerns over the insolvency thereof [*referring to the former and incumbent executives and employees of the insolvent financial company, etc., persons provided for in the subparagraphs of Article 401-2 (1) of the Commercial Act, debtors who have failed to meet their debt obligations to the insolvent financial company, etc. (where a debtor is a corporation, the former and incumbent executives and employees of such corporation, persons provided for in the subparagraphs of Article 401-2 (1) of the Commercial Act and major shareholders prescribed by Presidential Decree shall be included), and other third parties; hereinafter referred to as "person related to insolvency"*)] to claim for damages:

1. Where the Corporation determines to pay insurance money or pays insurance money pursuant to Articles 31 and 34 (1);
2. Where a financial company authorized to perform liquidation under Article 36-3 (1) determines to take over, or takes over, business or contracts, or determines to pay or pays claims, such as deposits;
3. Where the Corporation determines to provide or provides financing pursuant to Article 38.

(2) The Corporation shall make a request under paragraph (1) in writing, specifying reasons therefor, the method of filing a claim, and the period of filing a claim.

(3) Where an insolvent financial company, etc. fails to comply with a request under paragraph (1), the Corporation may immediately file a claim for damages on behalf of the relevant insolvent financial company, etc.

(4) Where an insolvent financial company, etc. files a claim for damages under paragraph (1) by filing a lawsuit, the Corporation may participate in the lawsuit to assist the relevant insolvent financial company, etc. while the lawsuit is being brought. In such cases, Articles 71 through 77 of the Civil Procedure Act shall apply *mutatis mutandis*.

(5) Where the Corporation wins a lawsuit by exercising the right to claim damages on behalf of an insured financial company, etc. pursuant to paragraph (3) or participates in a lawsuit under paragraph (4) at the request of the insolvent financial company, etc., the relevant insolvent financial company, etc. shall bear expenses incurred in winning or participating in the lawsuit.

(6) Where an insolvent financial company, etc. goes bankrupt, a claim for expenses which are not borne pursuant to paragraph (5) by such insolvent financial company, etc. shall be deemed a claim of the foundation.

(7) Where it is necessary to file a claim for damages, to exercise the right to claim damages on behalf of an insured financial company, etc. or to participate in a lawsuit pursuant to paragraphs (1) through (4), the Corporation may request the relevant insolvent financial company, etc., persons related to insolvency or any of the following interested persons (hereinafter referred to as "interested persons") to submit data concerning their affairs and financial conditions, to attend meetings (excluding a request for attendance of interested persons), and conduct inspections: Provided, That the scope of other third parties among persons related to insolvency shall be limited to accounting corporations and certified public accountants:

1. A spouse of the person related to insolvency;
2. A lineal ascendant or descendant of the person related to insolvency;
3. A lineal ascendant or descendant of the spouse of the person related to insolvency;
4. A person who gains a direct profit due to legal acton he/she has performed along with a person related to insolvency for the purpose of acquiring the right to property and a subsequent purchaser;
5. A person who is involved in concealing assets of the person related in insolvency.

(8) Paragraphs (1) through (6) shall apply *mutatis mutandis* to any insured financial company that survives after the merger of an insolvent financial company, etc. or the takeover of an insolvent financial company, etc. by a third party. In such cases, the Corporation may request the relevant insured financial company to submit data necessary to file a claim for damages against a person related to insolvency or to participate in a lawsuit, and the insured financial company requested shall comply with such request except for extenuating circumstances.

(9) A person who conducts an inspection pursuant to paragraph (7) shall carry a certificate indicating his/her authority, and produce it to the person concerned.

(10) Necessary matters concerning methods, procedures, etc. for conducting inspections under paragraph (7) shall be prescribed by Presidential Decree.

Article 21-3 (Request for Provision of Data)

(1) Where it is necessary for the Corporation to file a claim for damages, to exercise the right to claim damages on behalf of an insured financial company, etc., or to participate in a lawsuit under Article 21-2 (1) through (4), it may request the head of the Office of Court Administration, the heads of relevant central administrative agencies, local governments and other public institutions and financial companies prescribed by Presidential Decree (hereinafter referred to as "public institutions, etc" in this Article) to provide data or information relating to the family relationship registration, property and affairs of persons related to insolvency and interested persons: Provided, That where the Corporation requests the head of a financial company to provide information or data on the financial transactions of persons related to insolvency and interested persons, Article 21-4 shall apply.

(2) Where it is necessary for the Corporation to file a claim for damages, to exercise the right to claim damages on behalf of an insured financial company, etc., or to participate in a lawsuit under Article 21-2 (1) through (4), it may request the head of the competent tax office and the competent local government to provide tax information in writing, stating the following matters. In such cases, it shall request him/her to provide tax information to the minimum extent needed, and shall not abuse tax information for other purposes:

1. Personal information about a taxpayer;
2. Purpose of use.

(3) The heads of public institutions and tax offices who receive a request under the main sentence of paragraph (1) and paragraph (2) shall comply with such request except for extenuating circumstances.

(4) The Personal Information Protection Act shall apply to requests for the provision of data and the provision of data under the main sentence of paragraph (1) and paragraphs (2) and (3).

Article 21-4 (Request for Provision of Information, etc. about Financial Transactions, etc.)

(1) Where the president of the Corporation deems it is impracticable to verify the responsibility of a person related to insolvency for damages or whether a person related to insolvency or interested person conceals assets, etc. without depending on information or data on financial transactions (hereinafter referred to as "information, etc. on financial transactions") in relation to filing a claim for damages, exercising the right to claim damages on behalf of an insured financial company, etc. or participating in a lawsuit under Article 21-2 (1) through (4), and inspections under paragraph (7) of the aforementioned Article, notwithstanding Article 4 (2) of the Act on Real Name Financial Transactions and Confidentiality, he/she may request the head of a financial company, etc. under subparagraph 1 of Article 2 of the aforementioned Act to provide information on financial transactions of the person related to insolvency (excluding any third party among the persons related to insolvency under Article 21-2 (1)) or the interested person. In such cases, the head of the financial company, etc. requested shall comply with such request.

(2) The president of the Corporation shall request the head of a financial company, etc. to provide information, etc. on financial transactions under paragraph (1) to the minimum extent needed.

(3) Where the president of the Corporation requests the head of a financial company, etc. to provide information, etc. on financial transactions pursuant to paragraph (1), Articles 4 (6), 4-2 (5) and 4-3 (3) of the Act on Real Name Financial Transactions and Confidentiality shall mutatis mutandis apply thereto.

Article 22 (Accounting)

The fiscal year of the Corporation 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 Corporation shall be approved by the Financial Services Commission through a resolution of the Committee.

Article 24 (Establishment of Deposit Insurance Fund)

(1) The Deposit Insurance Fund shall be established in the Corporation to conduct the following affairs:

1. Receipt of insurance premiums under Article 30;
2. Payment of insurance money, etc. under Articles 31 and 32;
3. Purchase of claims such as deposits under Article 35-2;
4. Investment referred to in Article 36-3 (4);
5. Financing referred to in Articles 36-5 (3) and 38.

(2) The Deposit Insurance Fund shall be created with the following funds:

1. Contributions from insured financial companies;
2. Contributions from the Government;
3. Funds created with the issuance of the Deposit Insurance Fund bonds;
4. State property transferred to the Corporation by the Government without compensation pursuant to Article 24-2;
5. Borrowings under Article 26;
6. Insurance premiums received pursuant to Article 30 (1);
7. Funds earned by collecting claims acquired pursuant to Article 35;
8. Funds earned by collecting claims, such as deposits, purchased pursuant to Article 35-2;
9. Funds earned by collecting funds provided for the liquidation of insolvent financial companies referred to in Article 36-5 (3) or 38;
10. Operating profits and other earnings of the Deposit Insurance Fund.

(3) Funds of the Deposit Insurance Fund shall be used for the following purposes:

1. Repayment of the principal and payment of interest of the Deposit Insurance Fund bonds;
2. Insurance money, payments to depositors pursuant to Article 35-2, investments referred to in Article 36-3 (4), funds provided for the liquidation, etc. of insolvent financial companies under Article 36-5 (3) or 38 and expenses incidental thereto;
3. Payment to the National Treasury;
4. Repayment of loans and payment of interest thereon;
5. Transfer to the accounting that manages funds necessary for the operation of the Corporation referred to in Article 24-3 (1).

(4) Contributions referred to in paragraph (2) 1 shall be determined, for each insured financial company, taking into account the balance, etc. of deposits, etc. of each insured financial company, to the extent not exceeding one percent (in cases of merchant banks and mutual savings banks, ten percent) of its paid-in capital or own capital, and the amount of contributions to be paid, the time, method, etc. of the payment of contributions shall be prescribed by Presidential Decree.

Article 24-2 (Gratuitous Transfer of State Property)

(1) Where the Government deems it necessary to protect depositors and ensure the stability of credit order, it may transfer general property under Article 6 (3) of the State Property Act to the Corporation gratuitously, notwithstanding Article 55 of the aforementioned Act.

(2) Before the Government conducts gratuitous transfer of the state property under paragraph (1), it shall obtain consent from the National Assembly after the deliberation of the State Council and approval of the President of the Republic of Korea: Provided, That where the Government deems it necessary to transfer state property very urgently without compensation for the protection of depositors and the stability of credit order, it shall obtain approval from the National Assembly after such fact.

Article 24-3 (Separate Accounting)

(1) The Deposit Insurance Fund and the Redemption Fund shall manage accounting between them separately from accounting that manages funds necessary for the operation of the Corporation.

(2) The Deposit Insurance Fund shall establish an account of each bank, investment dealer, investment broker, life insurance company, non-life insurance company, merchant bank and mutual savings bank, and separately manage its accounting, and the Redemption Fund shall establish an account of each bank, investment dealer, investment broker, life insurance company, non-life insurance company, merchant bank, mutual savings bank and credit union, and separately manage its accounting.

(3) The Committee shall determine a blanket transfer of assets and liabilities between accounts under paragraph (2), transactions of loans, etc. (including the lending limits), transactions between accounts prescribed in paragraph (2) and the Corporation, and methods of allocating operating expenses of the Corporation.

(4) The Deposit Insurance Fund and the Redemption Fund shall not transact with each other.

(5) Where it is difficult for the Corporation to independently and promptly normalize loans between accounts under paragraph (3) due to heavy cumulative losses on a specific account, it may reduce or exempt interest on such loans within ten years; where the liquidity of a specific account is temporarily insufficient, it may allow a grace period for the payment of interest on such loans.

(6) Specific methods, procedures, etc. necessary for the reduction, exemption or grace shall be prescribed by Presidential Decree.

Article 24-4 (Establishment, etc. of Special Account for Restructuring of Mutual Savings Banks)

(1) The Corporation shall establish a special account (hereinafter referred to as "special account") for restructuring of mutual savings banks in the Deposit Insurance Fund in order to support the normalization of accounts of mutual savings banks established in the Deposit Insurance Fund pursuant to Article 24-3

(2), and manage its accounting separately from each account of the Deposit Insurance Fund under Article 24-3 (2).

(2) Revenue of a special account shall be earned with the following funds:

1. Contributions by the Government;
2. Funds created with the issuance of the Deposit Insurance Fund bonds;
3. Borrowed money from each account of the Deposit Insurance Fund established pursuant to Article 24-3 (2);
4. Borrowed money prescribed in Article 26;
5. Insurance premiums equivalent to 45 percent of the annual insurance premiums paid by each insured financial company pursuant to Article 30 (1): Provided, That the insurance premiums of mutual savings banks may be those equivalent to the percentage determined by the Committee within the total amount of insurance premiums, taking into account the amount of financing, etc. to the account of mutual savings banks in the special account;
6. Late fees equivalent to the portion of insurance premiums which provides revenue for the special account pursuant to subparagraph 5 among late fees referred to in Article 30 (3);
7. Funds earned by collecting claims acquired pursuant to Article 35;
8. Funds earned by collecting claims, such as deposits, purchased pursuant to Article 35-2;
9. Funds earned by collecting funds provided for the liquidation of insolvent financial companies referred to in Article 36-5 (3) or 38;
10. Operating profits and other earnings of the Deposit Insurance Fund.

(3) The Corporation may transfer all or some of assets and liabilities in the account of mutual savings banks of the Deposit Insurance Fund to the special account through a resolution of the Committee.

(4) Where the Corporation transfers assets and liabilities to the special account pursuant to paragraph (3), it may make disbursements of the Deposit Insurance Fund under Article 24 (3) from the special account in relation to mutual savings banks.

(5) With respect to borrowed money for the special account borrowed from each account of the Deposit Insurance Fund under Article 24-3 (2), the Corporation may reduce or exempt interest thereon, or allow the grace period for the payment of such interest through a resolution of the Committee, taking into account the balance in the burden of each account based on the amount of borrowing.

(6) The Corporation shall report the results of settlement of the accounts of the special account for the preceding year and the operational plan, etc. for the relevant year to the competent Standing Committee of the National Assembly by March 31 every year.

(7) The Corporation shall publish the white paper on the management of the special account concerning the actual condition of the operation of the special account by March 31 every year, as prescribed by Presidential Decree.

(8) Other than those matters prescribed in this Article, the provisions (excluding Article 30-4) on each account of the Deposit Insurance Fund under Article 24-3 (2) shall apply mutatis mutandis to the special

account unless they are contrary to the nature of the special account.

(9) Other necessary matters concerning the operation of the special account shall be prescribed by Presidential Decree.

Article 25 (Operation of Surplus Funds)

Where the Deposit Insurance Fund and the Redemption Fund have surplus funds, the Corporation may operate such surplus funds in accordance with the following methods:

1. Purchasing government bonds and public bonds, and securities designated by the Committee;
2. Depositing surplus funds in insured financial companies designated by the Committee;
3. Other methods prescribed by the Financial Services Commission.

Article 26 (Borrowing)

(1) Notwithstanding Article 79 of the Bank of Korea Act, where necessary for the following matters, the Corporation may borrow funds from the Government, the Bank of Korea, insured financial companies or other institutions prescribed by Presidential Decree at the expense of the Deposit Insurance Fund or the Redemption Fund after obtaining prior approval from the Financial Services Commission, as prescribed by Presidential Decree: Provided, That in cases falling under subparagraph 3, it may temporarily borrow funds from the Bank of Korea (the period of borrowing shall be within one year):

1. Performing the affairs under Article 18 (1) 3 and 4;
2. Repayment of the principal and interest of the Deposit Insurance Fund bonds, or borrowed money of the Deposit Insurance Fund;
3. Disbursements under Article 26-3 (3) 1 through 3.

(2) The Government may guarantee the repayment of the principal and interest of funds which the Corporation borrows from the Bank of Korea pursuant to paragraph (1).

Article 26-2 (Issuance, etc. of Deposit Insurance Fund Bonds)

(1) The Corporation may issue the Deposit Insurance Fund bonds at the expense of the Deposit Insurance Fund through a resolution of the Committee to raise funds necessary for the protection of depositors and the stability of credit order.

(2) Where the Corporation intends to issue the Deposit Insurance Fund bonds, it shall determine the amount, terms, methods of issuance and redemption of such bonds whenever it issues the bonds, and report them to the Financial Services Commission.

(3) Necessary matters concerning the issuance of the Deposit Insurance Fund bonds shall be determined by the Committee.

(4) The term of the Deposit Insurance Fund bonds shall expire after the lapse of five years for principal and two years for interest.

(5) The Government may guarantee the repayment of the principal and interest of the Deposit Insurance Fund bonds.

(6) The Deposit Insurance Fund bonds shall be construed as special bond securities under Article 4 (3) of the Financial Investment Services and Capital Markets Act.

Article 26-3 (Establishment, etc. of Redemption Fund for Deposit Insurance Fund Bonds)

(1) The Redemption Fund for the Deposit Insurance Fund bonds shall be established in the Corporation to repay debts of the Deposit Insurance Fund (limited to debts incurred until December 31, 2002) in the process of supporting the restructuring of insured financial companies.

(2) The Redemption Fund shall be created with the following funds:

1. Contributions from the Public Capital Redemption Fund under Article 4 of the Public Capital Redemption Fund Act;
2. Funds raised by the issuance of the Deposit Insurance Fund bonds and Redemption Fund bonds (hereinafter referred to as "Redemption Fund bonds") under paragraph (4);
3. Borrowed money under Article 26 (1);
4. Special contributions received pursuant to Article 30-3;
5. Funds earned by collecting claims acquired pursuant to Article 35;
6. Funds earned by collecting claims, such as deposits, purchased pursuant to Article 35-2;
7. Funds earned by collecting funds provided for the liquidation, etc. of insolvent financial companies under Article 36-5 (3) or 38;
8. Operating profits and other earnings of the Redemption Fund.

(3) Funds of the Redemption Fund shall be used for the following purposes:

1. Repayment of the principal and interest of the Deposit Insurance Fund bonds (limited to those issued before December 31, 2002) and the Redemption Fund bonds;
2. Insurance money, payments to depositors, etc. pursuant to Article 35-2, and funds provided for the liquidation, etc. of insolvent financial companies under Article 36-5 (3) or 38 and expenses incidental thereto;
3. Repayment of loans and payment of interest thereon;
4. Transfer to the accounting that manages funds necessary for the operation of the Corporation under Article 24-3 (1).

(4) Where necessary to repay the principal and interest of the Deposit Insurance Fund bonds and Redemption Fund bonds, the Corporation may issue the Redemption Fund bonds at the expense of the Redemption Fund through a resolution of the Committee. In such cases, Article 26-2 (2) through (6) shall apply *mutatis mutandis*.

Article 27 (Supervision)

(1) The Financial Services Commission shall guide and supervise affairs of the Corporation, and may issue necessary orders.

(2) Where the Financial Services Commission deems measures taken by the Corporation under this Act unlawful, or such measures necessary for protecting depositors, the Financial Services Commission may cancel all or some of such measures, or suspend the execution of such measures.

Article 28 (Reporting, Inspection, etc.)

(1) Where the Financial Services Commission deems it necessary, it may require the Corporation to report matters concerning its affairs, accounting, and assets, or require public officials who belong to the Financial Services Commission to examine the current status of affairs, books, documents, facilities, or other necessary objects of the Corporation.

(2) Where a public official who belongs to the Financial Services Commission conducts an examination under the provisions of paragraph (1), he/she shall carry a certificate indicating his/her authority and produce it to the person concerned.

Article 29 (Insurance Relations)

(1) Insurance relations among the Corporation, an insured financial company, and depositors, etc. shall be created and effected when depositors, etc. hold claims, such as deposits, on the insured financial company.

(2) Any insured financial company shall indicate whether insurance relations referred to in paragraph (1) have been formed, and the content thereof, as prescribed by the Corporation.

(3) Where an insured financial company enters into a contract for financial transactions, it shall explain the following matters to the other parties (excluding persons prescribed by Presidential Decree, such as an insured financial company), as prescribed by the Corporation:

1. Whether insurance relations referred to in paragraph (1) have been formed;

2. Limits of insurance money referred to in Article 32 (2).

(4) An insured financial company shall obtain confirmation that the other parties understand matters it has explained pursuant to paragraph (3) by their signatures, signatures and sealing, tape-recording, and at least one method of other methods prescribed by Presidential Decree.

(5) The Corporation may inspect whether any insured financial institution has indicated insurance relations under paragraph (2) and has made its explanation of insurance relations and has obtained confirmation under paragraphs (3) and (4).

Article 30 (Payment, etc. of Premiums)

(1) Each insured financial company shall pay the amount (where the amount is less than 100,000 won, 100,000 won) calculated by multiplying the balance of deposits, etc. (in cases of an insurance company, the amount prescribed by Presidential Decree in consideration of liability reserves under Article 120 of the Insurance Business Act) by the rate prescribed by Presidential Decree to the extent not exceeding 5/1,000 to the Corporation as annual insurance premiums. In such cases, the rate shall be set differently as prescribed by Presidential Decree in consideration of management conditions and financial standing of each insured financial company, reserves, etc. in each account under Article 24-3 (2).

(2) Notwithstanding paragraph (1), the Corporation may allow a reduction in all or some of contributions under Article 24 (2) 1, insurance premiums and late fees under paragraphs (1) and (3) to any of the following insured financial companies, or postpone the payment thereof for a fixed period through a resolution of the Committee:

1. Where an insurance trouble occurs, an insured financial company involved in the relevant insurance trouble;

2. An insured financial company which has great difficulty in normal management, such as where the payment of deposits, etc. are likely to be suspended in the light of its financial standing, etc.
- (3) Where an insured financial company fails to pay insurance premiums under paragraph (1) by the deadline for payment, such insured financial company shall pay the amount calculated by adding late fees prescribed by Presidential Decree to insurance premiums to the Corporation.
- (4) Methods and time for paying insurance premiums and late fees under paragraphs (1) and (3) and other necessary matters shall be prescribed by Presidential Decree.
- (5) The Corporation shall have the right to receive contributions under Article 24 (2) 1 and insurance premiums and late fees under paragraphs (1) and (3) which should be paid by an insured financial company which has caused an insurance trouble in preference to other claims, next to national taxes and local taxes.
- (6) Where the amount of money has been erroneously paid or paid in excess among the amounts of money paid by an insured financial company as insurance premiums under paragraph (1), the Corporation shall return such insured financial company such amount of money with accrued interest prescribed by Presidential Decree.
- (7) Unless the right of the Corporation to receive insurance premiums under paragraph (1) is exercised for three years from the deadline for payment or the right of an insured financial company to receive a refund under paragraph (6) is exercised for three years from the time it pays an insurance premium, such right shall lapse by the acquisition of the prescription.

Article 30-2 (Duty of Confidentiality of Insured Financial Companies, etc.)

No insured financial company, and no executive and employee of an insured financial company (including a person who has served as an executive or employee) shall use information concerning the rate set differently for each insured financial company (hereinafter referred to as "differential insurance premium rates") pursuant to the latter part of Article 30 (1) for advertisement, and shall make public or divulge it to the public other than the executives and employees of the relevant insured financial company: Provided, That the foregoing shall not apply to cases prescribed by Presidential Decree, which are deemed necessary for protecting depositors.

Article 30-3 (Special Contributions for Redemption of Deposit Insurance Fund Bonds)

- (1) Insured financial companies shall pay the amount (where the amount is less than 100,000 won, 100,000 won) obtained by multiplying the balance of deposits, etc. (in cases of an insurance company, the amount of money prescribed by Presidential Decree in consideration of liability reserves under Article 120 of the Insurance Business Act) every year by the rate prescribed by Presidential Decree to the extent not exceeding 3/1,000 to the Corporation as annual special contributions.
- (2) Article 30 (2) through (7) shall apply mutatis mutandis to the payment of special contributions under paragraph (1).

Article 30-4 (Establishment, etc. of Target Amount of Reserves of Deposit Insurance Fund)

(1) The Corporation shall establish the target amount (hereafter referred to as "target amount" in this Article) of reserves of the Deposit Insurance Fund so that it may maintain an appropriate level of reserves of the Deposit Insurance Fund.

(2) The target amount shall be established for each account enumerated in Article 24-3 (2) in consideration of management conditions, financial standing, etc. of insured financial companies to the extent not interfering with the efficient operation of the deposit insurance system through a resolution of the Committee. In such cases, the target amount may be established within a certain range by setting the upper limit and the lower limit.

(3) The Corporation shall regularly examine the appropriateness of the target amount in consideration of overall conditions of the national economy and the stability of the financial system, and if necessary, it may reestablish the target amount through a resolution of the Committee.

(4) Notwithstanding Article 30 (1), where the amount of reserves of the Deposit Insurance Fund reaches the target amount, the Corporation shall reduce insurance premiums paid by insured financial companies in consideration of the estimated amount of revenue and expenses of the Deposit Insurance Fund in the future, as prescribed by the Presidential Decree.

(5) Notwithstanding paragraph (2), where the Corporation deems it inappropriate to establish the target amount because the number of insured financial companies is small, it may postpone the establishment of the target amount of the relevant account, as prescribed by Presidential Decree.

Article 30-5 (Formal Objections against Differential Insurance Premium Rates)

(1) Where an insured financial company has an objection against differential insurance premium rates, it may raise an objection to the Corporation.

(2) An insured financial company shall raise an objection under paragraph (1) in writing within 30 days from the date on which it receives notification of differential insurance premium rates from the Corporation.

(3) A decision on a formal objection, notification, and other necessary matters shall be prescribed by Presidential Decree.

Article 31 (Payment of Insurance Money, etc.)

(1) Where an insurance trouble occurs in an insured financial company, the Corporation shall pay insurance money upon the request of depositors, etc. of such insured financial company: Provided, That with respect to Class 1 insurance trouble, the Corporation shall make a decision on whether to pay insurance money under Article 34.

(2) In cases of Class 1 insurance trouble, the Corporation may pay depositors, etc. part of their claims, such as deposits, upon their request, as prescribed by Presidential Decree.

(3) The Corporation shall make a public announcement of the date of commencement of payment of insurance money, the period and methods of payment, and other necessary matters under paragraph (1) or (2), as prescribed by Presidential Decree.

(4) An insured financial company which is newly established due to a merger or conversion, an insured financial company which survives after a merger, or an insured financial company after a conversion, and an insured financial company which no longer exists due to such merger or conversion or an insured financial company before such conversion shall be deemed to exist as an independent insured financial company until one year from the date of registration of the merger or the date of registration of the alteration when paragraph (1) applies.

(5) Where Class 2 insurance trouble occurs after Class 1 insurance trouble has occurred, the Class 2 insurance trouble shall not be deemed an independent insurance trouble in applying paragraph (1).

(6) Where a depositor, etc. falls under a person related to insolvency under Article 21-2 (1) or has a special relation prescribed by Presidential Decree with a person related to insolvency when the Corporation pays insurance money under paragraph (1), it may withhold the payment of insurance money on the claim, such as the deposit of the depositor, etc., within six months from the date of public announcement of the date of commencement of the payment of insurance money (hereinafter referred to as "date of public announcement of the payment of insurance money") under paragraph (3), as prescribed by Presidential Decree.

(7) The right to claim insurance money of a depositor, etc. under paragraph (1) shall lapse with the acquisition of the prescription unless he/she fails to exercise the right to claim insurance money for five years from the date of commencement of payment under paragraph (3).

(8) Notwithstanding paragraph (7) and subparagraph 3 of Article 168 of the Civil Act, information, notice, etc. provided to a depositor, etc. by the Corporation in order to urge him/her to exercise the right to claim insurance money shall not have the effect of the interruption of the prescription.

(9) When the Corporation pays insurance money under paragraph (1), it may stand against a person who has the right to claim insurance money based on a plea which an insured financial company which has caused an insurance has against a depositor, etc.

Article 32 (Calculation, etc. of Insurance Money)

(1) Insurance money paid to each depositor, etc. by the Corporation pursuant to Article 31 shall be the amount obtained by deducting the total amount of debts (excluding guaranteed debts) owed by each depositor, etc. to the relevant insured financial company from the total amount of claims, such as deposits of each depositor, etc. as of the date of public announcement of the payment of insurance money: Provided, That the foregoing shall not apply to cases specially prescribed by Presidential Decree.

(2) The maximum amount of insurance money under paragraph (1) shall be limited to the amount prescribed by Presidential Decree in consideration of the amount of per capita gross domestic production and the size of protected deposits.

(3) Where each depositor, etc. has received an amount in advance (hereinafter referred to as "provisional payment") pursuant to Article 31 (2), insurance money shall be the amount obtained by deducting the provisional payment from the amount under paragraphs (1) and (2).

(4) Where the amount of the provisional payment paid to each depositor, etc. exceeds insurance money under paragraphs (1) and (2), each depositor, etc. shall return such excess amount to the Corporation.

Article 33 (Notification of Insurance Troubles, etc.)

(1) Where an insurance trouble occurs, an insured financial company shall promptly notify the Corporation of the fact.

(2) Where an insured financial company falls under any of the following, the Minister of Strategy and Finance, the Financial Services Commission or the Governor of the Financial Supervisory Service shall promptly notify the Corporation of the fact:

1. Where he/she or it has ordered any insured financial company to suspend the payment of claims, such as deposits, or business operations;
2. Where he/she or it cancels the authorization or permission of business of an insured financial company or approves the resolution of the dissolution thereof;
3. Where an insured financial company receives notice under Article 314 of the Debtor Rehabilitation and Bankruptcy Act from the court.

Article 34 (Decision on Payment)

(1) Where Class 1 insurance trouble occurs, the Corporation shall make a decision on whether or not to pay insurance money in accordance with the resolution of the Committee within two months from the date on which it receives notice under Article 33.

(2) The Corporation may extend the period under paragraph (1) within a period not exceeding one month after obtaining approval from the Financial Services Commission.

Article 35 (Acquisition of Claims)

Where the Corporation pays insurance money and a provisional payment or purchases claims, such as deposits, pursuant to Article 35-2, it shall acquire the right of a depositor, etc. against an insolvent financial company to the extent of such payment or purchase.

Article 35-2 (Purchase of Claims, such as Deposits)

(1) Where the Corporation pays insurance money pursuant to Article 31 (1), it may purchase claims, such as deposits, related to the relevant insurance trouble.

(2) Where the Corporation purchases claims, such as deposits, pursuant to paragraph (1), it shall pay the amount obtained by estimating the value of claims, such as deposits, (hereinafter referred to as "estimated payment") pursuant to paragraph (3) upon the request of depositors, etc. In such cases, where the amount calculated by deducting expenses incurred in purchasing claims from the amount of collected claims, such as deposits, purchased by the Corporation exceeds the amount of estimated payments, it shall additionally pay such excess amount to depositors, etc.; where the amount of estimated payments received by depositors, etc. exceeds the amount calculated by deducting expenses incurred in purchasing claims from the amount of collected claims, such as deposits, purchased by the Corporation, the relevant depositors, etc. shall return such excess amount to the Corporation.

(3) The estimated payment shall be the amount calculated by multiplying the value of claims, such as deposits, purchased by the Corporation from depositors, etc. as of the date of public announcement of the payment of insurance money (excluding the amount of claims, such as deposits, equivalent to guaranteed debts of depositors, etc. liable for guaranteed debts, and claims, such as deposits, which are the objects of mortgage rights) by estimated payment rates under Article 35-3.

Article 35-3 (Estimated Payment Rates)

Where the Corporation purchases claims, such as deposits, pursuant to Article 35-2 (1), it shall determine the estimated payment rates, taking into consideration an estimated amount to be reimbursed for claims, such as deposits, related to an insolvent financial company in the light of financial standing of the relevant insolvent financial company, if bankruptcy proceedings are initiated.

Article 35-4 (Approval for Making Estimated Payments)

Where the Corporation intends to make the estimated payments pursuant to Article 35-2 (2), it shall obtain approval from the Financial Services Commission through a resolution of the Committee after determining estimated payment rates under Article 35-3, and the period, methods, etc. of purchasing claims, such as deposits.

Article 35-5 (Public Announcement of Purchase)

Where the Corporation obtains approval under Article 35-4, it shall publicly announce the purchase of claims, such as deposits, as prescribed by Presidential Decree.

Article 35-6 (Right to Set off on Behalf of Depositors)

The Corporation may set off claims, such as deposits, of respective depositors, etc. (excluding claims, such as deposits, offered by depositors to the relevant insured financial company as collateral for others) by debts (excluding guaranteed debts) respective depositors, etc owe to the relevant insured financial company as of the date of public announcement of the payment of insurance money on behalf of depositors, etc.

Article 35-7 (Affairs of Trustee)

Where any executive or employee of the Corporation is appointed a trustee pursuant to Article 14-6 (1) of the Act on the Structural Improvement of the Financial Industry, Article 21-3 shall apply mutatis mutandis to his/her affairs.

Article 35-8 (Affairs, etc. of Liquidator or Bankruptcy Trustee)

(1) Where an insured financial company (including where the Corporation intends to provide financing to the insured financial company whose contracts are determined to be transferred pursuant to the Act on the Structural Improvement of the Financial Industry) to which the Corporation pays insurance money or provides financing dissolves or goes bankrupt, and it is necessary to efficiently collect funds, etc. provided, notwithstanding Article 531 of the Commercial Act or Article 355 of the Debtor Rehabilitation and Bankruptcy Act, and any other Act related to the appointment of a liquidator or bankruptcy trustee, a court shall appoint the Corporation or its executive or employee as a liquidator or a bankruptcy trustee.

(2) Where the Corporation is a liquidator or a bankruptcy trustee pursuant to paragraph (1), Article 539 (2) of the Commercial Act and Articles 364 and 492 of the Debtor Rehabilitation and Bankruptcy Act shall not apply.

(3) Where a shareholders' general meeting under Articles 533 (1) and 540 (1) of the Commercial Act is not held after the Corporation or its executive or employee is appointed as a liquidator pursuant to paragraph (1), the appointment of the liquidator shall be deemed approved by the shareholders' general meeting with the approval of the Financial Services Commission.

(4) Where the Corporation or its executive or employee is appointed as a liquidator or a bankruptcy trustee pursuant to paragraph (1), Article 21-3 shall apply mutatis mutandis to his/her duties.

(5) The Corporation or its executive or employee appointed as a liquidator or a bankruptcy trustee pursuant to paragraph (1) shall be prohibited from claiming any remuneration for his/her duties: Provided, That the foregoing shall not apply to reasonable expenses incurred in performing his/her duties.

Article 35-9 (Purchase of Liability Insurance)

(1) The Corporation may request an insured financial company (only applicable to insured financial companies prescribed by Presidential Decree) to purchase insurance to cover property-related losses (hereinafter referred to as "liability insurance") to be incurred by such insured financial company due to the default or delict of executives and employees of the insured financial company.

(2) Where an insured financial company fails to comply with a request for purchasing insurance referred to in paragraph (1), the Corporation may purchase an insurance policy on behalf of the relevant insured financial company.

(3) Where an insured financial company fails to pay premiums, etc. of insurance purchased pursuant to paragraph (2), the Corporation may deduct the amount of such premiums from insurance premiums paid by such insured financial company pursuant to Article 30 (1). In such cases, the amount equivalent to such premiums shall be deemed unpaid as insurance premiums.

(4) Necessary matters concerning the request for purchasing liability insurance under paragraph (1), or methods, procedures, etc. for purchasing liability insurance on behalf of an insured financial company under paragraph (2) shall be prescribed by Presidential Decree.

Article 36 (Intermediation of Merger, etc.)

Where the Corporation deems it necessary for protecting depositors, etc. and maintaining the stability of the financial system, it may intermediate a merger, transfer or takeover of business to which an insolvent financial company, etc. or a financial holding company which controls such insolvent financial company as its subsidiary, etc. under the Financial Holding Companies Act is a party, or acquisition of such insolvent financial company, etc. or such financial holding company by a third party (hereinafter referred to as "merger, etc. of an insolvent financial company, etc.>").

Article 36-2 (Request for Transfer, etc. of Contracts)

(1) Where standards prescribed by Presidential Decree are met and where the deemed necessary for protecting depositors, etc. and maintaining the stability of the financial system, the Corporation may

request the Financial Services Commission to take necessary measures against the relevant insolvent financial company, such as issuing an order to transfer contracts or filing an application for bankruptcy.

(2) The Financial Services Commission requested by the Corporation pursuant to paragraph (1) shall immediately notify the Corporation of the results.

Article 36-3 (Establishment, etc. of Financial Company Authorized to Perform Liquidation)

(1) Where the Corporation deems it necessary for protecting depositors, etc. and maintaining the stability of the financial system, it may establish a financial company to take over business or contracts of an insolvent financial company or to perform liquidation (hereinafter referred to as "financial company authorized to perform liquidation") with the approval of the Financial Services Commission.

(2) A financial company authorized to perform liquidation shall be a joint-stock company.

(3) The Corporation shall prepare the articles of incorporation of a financial company authorized to perform liquidation, including the following matters:

1. Purpose;
2. Name;
3. The total amount of capital stock;
4. The total number of shares issued at its incorporation;
5. Par value of a share of stock;
6. Location of its main office;
7. Methods of making public announcements.

(4) The Corporation shall invest the total amount of capital of a financial company authorized to perform liquidation at the expense of the Deposit Insurance Fund.

(5) A financial company authorized to perform liquidation may use a name, such as a bank, investment dealer, investment broker, insurance company, merchant bank or mutual savings bank, and Articles 35, 35-2 through 35-9, 36, 36-2, 37, 38, 38-3 through 38-6, and 39 shall apply to such financial company authorized to perform liquidation as it is deemed an insolvent financial company to the extent related to the liquidation of the insolvent financial company.

Article 36-4 (Appointment, Authority, etc. of Executives)

(1) A financial company authorized to perform liquidation shall have one president, not more than two directors, and one auditor.

(2) The president, directors, and auditor shall be appointed by the Corporation. In such cases, a financial company authorized to perform liquidation shall obtain approval from the Financial Services Commission when it appoints the president.

(3) The president shall represent the financial company authorized to perform liquidation and preside over its affairs.

(4) Where the president is unable to perform his/her duties for reasons beyond his/her control, other executives shall perform his/her duties on his/her behalf in order of priority prescribed by the articles of incorporation.

(5) Where the Corporation deems it necessary, it may dismiss the president, directors, or auditor. In such cases, it shall obtain approval from the Financial Services Commission when it dismisses the president.

(6) No person who has interest in the relevant insolvent financial company shall be appointed as president, director, or auditor.

(7) Articles 12 (2) and (3), 14, 15 and 15-2 concerning duties of executives, the board of directors, etc. shall apply mutatis mutandis to the financial company authorized to perform liquidation.

(8) The president shall convene meetings of the board of directors and preside at its meetings.

(9) The board of directors shall hold meetings when a majority of its constituent members attend meetings, and pass resolutions with the concurrence of a majority of the constituent members present.

Article 36-5 (Scope, etc. of Affairs of Financial Company Authorized to Perform Liquidation)

(1) A financial company authorized to perform liquidation shall pay claims, such as deposits, collect claims, such as loans, or conduct other affairs approved by the Financial Services Commission, which are needed to efficiently perform the liquidation of an insolvent financial company.

(2) The amount of claims, such as deposit, paid to depositors, etc. by a financial company authorized to perform liquidation pursuant to paragraph (1) shall be limited to insurance money and an estimated payment, and the amount paid shall be deducted from insurance money under Article 32.

(3) The Corporation may provide financing to the extent necessary for the operation of a financial company authorized to perform liquidation in accordance with a resolution passed by the Committee.

(4) The Corporation shall direct and supervise affairs of a financial company authorized to perform liquidation, as prescribed by Presidential Decree.

(5) Where the Governor of the Financial Supervisory Service deems it necessary, he/she may request a financial company authorized to perform liquidation to provide necessary data within a specific scope, or request the Corporation to inspect the financial company authorized to perform liquidation. In such cases, the financial company authorized to perform liquidation or the Corporation requested shall comply with such request except for extenuating circumstances.

Article 36-6 (Incorporation Registration and Public Announcement)

(1) Where the Corporation establishes a financial company authorized to perform liquidation pursuant to Article 36-3, it shall register the financial company authorized to perform liquidation at the location of its main office.

(2) Where the Corporation establishes a financial company authorized to perform liquidation, it shall publically announce its establishment.

(3) Necessary matters concerning the registration under paragraph (1) and the public announcement under paragraph (2) shall be prescribed by Presidential Decree.

Article 36-7 (Period of Business Operations, etc. of Financial Company Authorized to Perform Liquidation)

(1) The period of business operations of a financial company authorized to perform liquidation shall be within five years: Provided, That it may extend the period of business operations with the approval of the

Financial Services Commission.

(2) In cases of the expiration of the period of business operations of a financial company authorized to perform liquidation, the merger, or transfer or takeover of business between a financial company authorized to perform liquidation and an insured financial company, or the acquisition of a financial company authorized to perform liquidation by a third party, the Corporation shall dissolve a financial company authorized to perform liquidation after obtaining approval from the Financial Services Commission.

(3) Where the Corporation deems that the continued business operation of a financial company authorized to perform liquidation is likely to harm the interests of depositors, etc., it may dissolve such financial company authorized to perform liquidation after obtaining approval from the Financial Services Commission.

Article 36-8 (Relationship to other Acts)

(1) Except as otherwise provided for in this Act, the Bank of Korea Act, the Banking Act, the Financial Investment Services and Capital Markets Act, the Insurance Business Act, the Mutual Savings Banks Act, the Act on Corporate Governance of Financial Companies, the Credit Unions Act, and Articles 288, 289 (1), 295, 297 through 299, 299-2, 300, 317, 382, 382-2, 385, 389 (1), 393, 409, 409-2, 410, and 517 through 520, and 520-2 of the Commercial Act shall not apply to a financial company authorized to perform liquidation. *<Amended by Act No. 13453, Jul. 31, 2015>*

(2) Where special provisions concerning a financial company authorized to perform liquidation exist in this Act, this Act shall apply in preference to the Commercial Act.

Article 37 (Application for Financing)

Any person who intends to take over or merge an insolvent financial company, etc. or a financial holding company which controls such insolvent financial company, etc. as its subsidiary, etc. under the Financial Holding Companies Act, or to take over its business or to acquire contracts through transfer may file an application for financing with the Corporation.

Article 38 (Financing to Insured Financial Companies)

(1) Where an insolvent financial company, etc. falls under any of the following, the Corporation may provide financing to an insolvent financial company, etc. or a financial holding company which controls such insured financial company, etc. as its subsidiary, etc. under the Financial Holding Companies Act, as prescribed by a resolution passed by the Committee:

1. Where an application for financing under Article 37 is filed, or the Corporation deems it necessary to provide financing so that the merger, etc. of an insolvent financial company, etc. may be smoothly implemented;
2. Where the Corporation deems the improvement of financial structure of an insolvent financial company, etc. necessary for the protection of depositors and the stability of credit order;
3. Where the Financial Services Commission makes a request under Article 12 (1) of the Act on the Structural Improvement of the Financial Industry.

(2) Standards, methods and conditions of financing under paragraph (1) and other necessary matters shall be prescribed by Presidential Decree.

Article 38-2 Deleted. <by Act No. 6323, Dec. 30, 2000>

Article 38-3 (Special Cases of Assignment of Claims)

(1) Where the Corporation and a financial company authorized to perform liquidation (hereafter referred to as "Corporation, etc." in this Article) acquire nominative claims through transfer due to the acquisition of any of the following assets, they shall be deemed to have met requirements to stand against assignment of nominative claims under Article 450 of the Civil Act by making a public announcement of the acquisition of such nominative claims through transfer in at least two daily newspapers (at least one daily newspaper distributed nationwide shall be included): Provided, That any debtor, any person who has pledged his/her property to secure another's obligation and other interested persons may stand against the Corporation, etc. for reasons which have occurred between him/her and a transferor of such claims before the public announcement is made:

1. Assets transferred to the Corporation in relation to payment of insurance money under Article 31 (1) or financing under Article 38;
2. Assets transferred to the Corporation by a financial company authorized to perform liquidation;
3. Assets transferred to a financial company authorized to perform liquidation in relation to affairs under Article 36-5 (1).

(2) Where the Corporation, etc. has made a public announcement under paragraph (1), it shall keep and manage data related to claims it has acquired through transfer and make such data available for interested persons for reading. In such cases, standards and procedures necessary for keeping, managing and reading such data shall be prescribed by the Committee.

Article 38-4 (Least Cost Principle)

(1) Where the Corporation pays insurance money or provides financing to an insured financial company and a financial holding company which controls such insured financial company as its subsidiary, etc. under the Financial Holding Companies Act, it shall apply a method that minimizes the loss incurred by the Deposit Insurance Fund.

(2) The Corporation shall prepare and keep data evidencing that insurance money is paid or financing is provided pursuant to paragraph (1).

(3) Where the Committee deems that the liquidation, bankruptcy, etc. of an insolvent financial company, etc. are likely to seriously undermine the stability of the financial system, the Corporation may pay insurance money or provide financing in accordance with a method other than the method under paragraph (1).

(4) Detailed matters concerning standards, procedures, etc. for the least cost principle under paragraphs (1) through (3) shall be prescribed by Presidential Decree.

Article 38-5 (Principle, etc. of Fair Loss Sharing)

(1) Where the Corporation provides financing, it shall provide financing on the condition that a person liable for the insolvency of an insured financial company subject to financing should fairly share any losses.

(2) Where the Corporation provides financing, it shall enter into a written agreement (hereinafter referred to as "agreement") with the relevant insured financial company for the implementation of a plan for the normalization of management, as prescribed by Presidential Decree. In such cases, the agreement shall contain the following matters for the normalization of management of such insured financial company:

1. Target level of the relevant insured financial company concerning financial soundness standards prescribed by Presidential Decree, such as the capital adequacy ratio;
2. Target level of the relevant insured financial company concerning profitability standards prescribed by Presidential Decree, such as the return on assets;
3. Target level of the relevant insured financial company concerning asset quality standards prescribed by Presidential Decree, such as the non-performing loan ratio;
4. A specific action plan including a restructuring plan, such as the adjustment of human resources, organization and wages of the relevant insured financial company, and a fund raising plan necessary to implement the target level under subparagraphs 1 through 3;
5. A written consent to matters which requires the consent of the labor union of the relevant insured financial company, which are stipulated in subparagraph 4;
6. Where the relevant insured financial company fails to attain the target level under subparagraphs 1 through 3, an implementation plan it should additionally push forward, such as wage freeze;
7. Other matters prescribed by Presidential Decree.

(3) Where the Corporation has entered into an agreement, it shall disclose the agreement by means of electronic document, etc.: Provided, That the foregoing shall not apply matters prescribed by Presidential Decree, which may have an important influence on the management of the relevant insured financial company.

(4) The Corporation shall check, on a quarterly basis, the result of implementation referred to in the agreement and report it to the Committee.

(5) The Corporation may request an insured financial company to which it has provided financing to report its business or assets, submit data, and request relevant persons to attend its meetings and make statements in order to check the result of implementation under paragraph (4).

(6) Where any executive or employee of an insured financial company to which the Corporation has provided financing falls under any of the following cases, the Corporation may require the head of the relevant insured financial company to correct it or require him/her to dismiss the executive concerned, suspend his/her duties, warn and caution him/her, or to take disciplinary action and warn against the relevant employee:

1. Where he/she fails to fulfill the agreement;

2. Where he/she falsely prepares any report or data requested by the Corporation in accordance with this Article or the agreement, or neglects to submit such report or data;
3. Where he/she refuses, interferes with, or evades the performance of duties by the Corporation under this Article or the agreement;
4. Where he/she neglects to comply with the Corporation's order to make corrections or request for disciplinary action.

Article 38-6 (Special Cases concerning Notice or Delivery concerning Auction)

(1) A notice or delivery in the auction procedures (limited to the auction procedures for the exercise of a security right) under the Civil Execution Act, followed by the court at the request of any of the following persons shall be deemed delivered by sending the notice to the address (where the address is different from that entered in the resident registration card under the Resident Registration Act, the address entered in the resident registration card shall be included, and where the address is reported to the court, such notice shall be delivered to the reported address) entered in the register of the relevant real estate at the time when the real estate is submitted for auction, and where the address is not entered in the register and the resident registration card or no address is reported to the court, such notice shall be delivered by means of service by publication:

1. The Corporation and a financial company authorized to perform liquidation under this Act;
2. The Corporation or its executive or employee appointed as a liquidator or a trustee in bankruptcy pursuant to Article 35-8 or Article 20 of the Special Act on the Management of Public Funds.

(2) In the auction procedures under paragraph (1), a person who falls under any of the subparagraphs of paragraph (1) shall give notice of the fact that an auction will be held to the relevant debtor and the relevant owner at the address (where the address is different from that entered in the resident registration card under the Resident Registration Act, the address entered in the resident registration card shall be included) entered in the register of real estate before it is submitted for auction. In such cases, the notice shall be deemed delivered by sending the written notice.

Article 39 (Special Cases concerning Continuation of Affairs)

@Article 9 (1) of the Act on the Structural Improvement of the Financial Industry shall apply mutatis mutandis to affairs of an insured financial company which has taken over all of the business of an insolvent financial company pursuant to Article 37.

Article 39-2 (Penalty Provisions)

Any person who uses information, etc. about financial transactions he/she has learned pursuant to Article 21-4 for purposes other than its original purpose shall be punished by imprisonment with prison labor for not more than five years or by a fine not exceeding 50 million won. <Amended by Act No. 12714, May 28, 2014>

Article 40 (Penalty Provisions)

Any of the following persons shall be punished by imprisonment with prison labor for not more than two years or by a fine not exceeding 20 million won:

1. A person who divulges confidential information, in violation of Article 17;
2. A person who utilizes information about insurance premiums set differently for each insured financial company for advertising, or discloses or divulges such information, in violation of Article 30-2.

Article 41 (Penalty Provisions)

Any of the following persons shall be punished by imprisonment with prison labor for not more than one year or by a fine not exceeding ten million won:

1. A person who fails to submit data or submitted false data, in violation of Article 21 (1), the latter part of Article 21-2 (8) or Article 21-4;
2. A person who refuses, interferes with or evades an inspection under Article 21 (2) or 21-2 (7) (excluding the part relating to interested persons).

Article 42 (Legal Fiction as Public Officials in Application of Penalty Provisions)

(1) Where Articles 129 through 132 of the Criminal Act apply, executives and employees of the Corporation, and executives and employees of agencies conducting affairs on behalf of the Corporation under Article 20 shall be regarded as public officials.

(2) The scope of employees under paragraph (1) shall be prescribed by Presidential Decree, in consideration of the purpose of the incorporation of the Corporation, the characters of affairs conducted by agencies conducting affairs on behalf of the Corporation, specific affairs of the relevant employees, etc.

Article 43 (Joint Penalty Provisions)

Where the representative of an insured financial company, or an agent or employee or any other worker of an insured financial company commits an offense under subparagraph 2 of Article 40 or Article 41 relating to affairs of such insured financial company, not only a person who commits such offense shall be punished, but also the insured financial company shall be punished by a fine under the relevant Article: Provided, That the foregoing shall not apply to where the insured financial company has not neglected to pay considerable attention to and exercise reasonable supervision over the relevant affairs to prevent such offence.

Article 44 (Administrative Fines)

(1) Any interested person who refuses, interferes with or evades an inspection under Article 21-2 (7) shall be punished by an administrative fine of up to five million won.

(2) Any of the following persons shall be punished by an administrative fine of up to two million won:

1. A person who uses the name of the Deposit Insurance Corporation or a name similar thereto, in violation of Article 7;
2. A person who fails to indicate whether or not insurance relations have been formed and the content thereof, in violation of Article 29 (2);
3. A person who fails to obtain confirmation, in violation of Article 29 (4);
4. A person who refuses, interferes with or evades an inspection under Article 29 (5);
5. A person who fails to inform the Corporation of the occurrence of an insurance trouble, in violation of Article 33 (1).

(3) Administrative fines under paragraphs (1) and (2) shall be imposed and collected by the Financial Services Commission, as prescribed by Presidential Decree.

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force on June 1, 1996: Provided, That the provisions of Sections 3 and 4 shall enter into force on January 1, 1997.

Article 2 (Incorporation Committee)

(1) The Minister of Finance and Economy shall, within three months from the date of the promulgation of this Act, organize an incorporation committee by entrusting ten or fewer incorporation commissioners, and have such incorporation commissioners handle business matters pertaining to the preparation for the incorporation of the Corporation.

(2) The incorporation committee shall draw up the Articles of Incorporation of the Corporation and receive the authorization of the Minister of Finance and Economy.

(3) When the incorporation committee receives the authorization under the provisions of paragraph (2), it shall make a registration of incorporation of the Corporation.

(4) When the incorporation committee completes the registration of incorporation under the provisions of paragraph (3), it shall transfer its duties and property to the President of the Corporation, and when the transfer is completed, the incorporation commissioners shall be regarded as discharged thereupon.

(5) When necessary, the incorporation committee may execute its duties with the dispatched service of executives 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 Corporation.

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 subparagraphs 1, 5 and 5-2 of Article 2, and Articles 26 (2), 26-2 and 37 through 38-2, and the amendments to Articles 5, 6 (1) and (3), and 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 the proviso of paragraph (1): for the powers of the Financial Supervisory Commission, the Monetary Board shall exercise them over insured financial institutions listed in subparagraph 1 (a) and (i) of Article 2, the Minister of Finance and Economy over insured financial institutions listed in (b) through (h) and (k) through(m) of the same subparagraph, and the Securities and Exchange Commission over insured financial institutions listed in (j) of the same subparagraph, respectively; for the powers and operations of the Korea Deposit Insurance Corporation, the Korea Deposit Insurance Corporation shall exercise them over insured financial institutions listed in subparagraph 1 (a)through (i) of Article 2, the Securities and Exchange Commission over insured financial institutions listed in (j) (a fund management company under Article 69-2 (1) of the Securities and Exchange Act over the business of bond issue under Article 26-2), the Insurance Supervisory Board over insured financial institutions listed in (k) of the same paragraph, and the Credit Management Fund over insured financial institutions listed in (l) and (m) of the same subparagraph, respectively; for the powers and operations of the Operating Committee, the Operating Committee of the Korea Deposit Insurance Corporation shall exercise them over insured financial institutions listed in subparagraph 1 (a) through (i) of Article 2, the Securities and Exchange Commission over insured financial institutions listed in (j) of the same subparagraph, the Management Committee of the Insurance Guarantee Fund over insured financial institutions listed in (k) of the same subparagraph, and the Operating Committee of the Credit Management Fund over insured financial institutions listed in (l) and (m) of the same subparagraph, respectively; and for the deposit insurance fund, insured financial institutions listed in subparagraph 1 (a) through (i) of Article 2 shall be deemed the deposit insurance fund, insured financial institutions listed in subparagraph (j) of the same subparagraph, the Securities Investors Protection Fund, insured financial institutions listed in (k) of the same subparagraph, the Insurance Guarantee Fund, and insured financial institutions listed in (l) and (m) of the same subparagraph, the Credit Management Fund, respectively.

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 Credit Management Fund in relation to contribution operation

business accounts, or by the National Credit Union Federation in relation to the Credit Unions Stabilization Fund under the previous provisions at the time of the entry into force 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 Credit Management Fund in relation to contribution operation business accounts, or to the National Credit Union Federation in relation to the Credit Unions Stabilization Fund under the Previous provisions at the time of the entry into force of this Act shall be deemed acts done to the Korea Deposit Insurance Corporation under this Act.

Article 3 (Transitional Measures on Contributions, etc.)

(1) Contributions which merchant banks and mutual savings and finance companies paid to the Credit Management Fund Act on business authorization under Article 5, and contributions which the Credit Unions Stabilization Fund received under Article 83-22 of the Credit Unions Act prior to the entry into force 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 Credit Management Fund after the closing of each business year under Article 5 of the Credit Management Fund Act, and contributions which Credit unions paid to the Credit Unions Stabilization Fund under Article 83-22 of the Credit Unions Act prior to the entry into force of this Act shall be deemed insurance premiums under this Act.

(3) Where the Korea Deposit Insurance Corporation 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 Korea Deposit Insurance Corporation on April 1, 1998.

Article 4 (Transitional Measures on Policy Committee Members and Executives of the Korea Deposit Insurance Corporation)

Members commissioned under Article 9 (1) 6 of the previous provisions and executives of the Korea Deposit Insurance Corporation prior to the entry into force of this Act shall discharge their functions until members or executives 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 Korea Deposit Insurance Corporation may recognize 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 Finance and Economy through a decision by the Policy Committee within one month after the entry into force 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 prior to 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 (1) after April 1, 1998.

(3) Notwithstanding the provisions of Article 31 of the Credit Management Fund Act, funds borrowed by Credit Management Fund from the Korea Deposit Insurance Corporation in accordance with the provisions of paragraph (1) shall be audited separately as special accounts.

Article 7 Omitted.

Article 8 (Support for Budget of Credit Management Fund)

The Korea Deposit Insurance Corporation may contribute to the Credit Management Fund expenses required for the budget of the Credit Management Fund set under Article 4 (2) of the Addenda of the Act on the Establishment, etc. of Financial Supervisory Organizations until the Financial Supervisory Service is established after the entry into force 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 amendments to subparagraph 2 (d) of Article 2 shall enter into force on October 1, 1998.

Article 2 (Examples of Application to Insurance Premiums)

The amendment to Article 30 (1) shall apply to the portion of insurance premiums for which obligation for payment is first created after the entry into force of this Act.

Article 3 Deleted. <by Act No. 9134, Sep. 26, 2008>

Article 4 (Examples of Application to Calculation of Insurance Money)

(1) The amendment to Article 32 (1) shall apply to insurance premiums announced and paid under Article 31 (3) first after the entry into force of this Act.

(2) The amendment to Article 35-2 (3) shall apply to an estimated payment announced and paid under Article 35-5 first after the entry into force of this Act.

Article 5 (Transitional Measures on Notes Guaranteed by Merchant Banks)

Money raised by draft guarantees by merchant banks under the previous provisions at the time of entry into force of this Act shall be deemed deposits under the amendment to subparagraph 2 (d) of Article 2.

Article 6 (Special Cases on Financial Institutions for Liquidation)

(1) Financial institutions established with authorization from the Minister of Finance and Economy under Article 3 (1) of the Merchant Banks Act in order to carry out the business of liquidation business

of insolvent financial institutions at the time of the entry into force of this Act (hereafter referred to as "bridge financial institutions") shall be deemed financial institutions for liquidation established on approval by the Minister of Finance and Economy under the amendment to Article 36-3.

(2) Any authorization, permission or other acts done by bridge financial institutions and any registration, report or other acts done to bridge financial institutions prior to the entry into force of this Act shall be deemed done by or to a financial institution for liquidation.

(3) Any establishment registration and announcement of a bridge financial institution at the time of the entry into force of this Act shall be deemed an establishment registration and announcement of a financial institution for liquidation under 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 on July 1, 2000. (Proviso Omitted.)

Articles 2 through 21 Omitted.

ADDENDA <Act No. 6173, Jan. 21, 2000>

Article 1 (Enforcement Date)

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

Article 2 (Duration Period of Regulation)

(1) The amended provisions of Article 30-2 shall take force by the date on which five years lapse from the date of enforcement 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 (3) of 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 subparagraph 2 of Article 40 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 one month after the date of its promulgation.

Articles 2 through 6 Omitted.

ADDENDA <Act No. 6323, Dec. 30, 2000>

(1) (Enforcement Date) This Act shall enter into force on January 1, 2001.

(2) (Transitional Measures on Unpaid Insurance Premiums) In applying the amendments to Article 30 (5), with respect to the unpaid insurance premiums at the time when this Act enters into force, the previous provisions shall govern.

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 the limit not exceeding 2 years from the promulgation date of this Act. (Proviso Omitted.)

Articles 2 through 11 Omitted.

ADDENDA <Act No. 6626, Jan. 26, 2002>

Article 1 (Enforcement Date)

This Act shall enter into force on July 1, 2002.

Articles 2 through 7 Omitted.

ADDENDA <Act No. 6807, Dec. 26, 2002>

Article 1 (Enforcement Date)

(1) This Act shall enter into force on January 1, 2003: Provided, That the amended provisions of subparagraphs 1 (n) and 2 (f) of Article 2 and Article 35-7 shall enter into force on January 1, 2004.

(2) In applying the amended provisions of Article 35-7, with respect to an executive or employee of the Corporation appointed as a custodian under Article 86-2 (5) of the Credit Unions Act prior to December 31, 2003, the previous provisions shall prevail.

Article 2 (Period of Validity)

The amended provisions of Article 30-3 shall be effective until December 31, 2027.

Article 3 (Special Cases for Appointment of Vice President)

(1) With respect to the amended provisions of Article 11, the previous provisions shall prevail until the day when the Minister of Finance and Economy appoints a vice president.

(2) Where a person who holds the post of a director at the time of the entry into force of this Act is appointed first vice president in accordance with the amended provisions of Article 11, the vice president's term of office shall be the remainder of the director's term of office.

Article 4 (Special Cases for Financial Resources, etc. of Redemption Fund)

The amended provisions of Article 26-3 (2) 5 through 7 and (3) 2 shall apply only in the following cases: <Amended by Act No. 7027, Dec. 31, 2003>

1. Where any insured risk occurs on or before December 31, 2002;
2. Where an insured financial institution is decided or recognized by the Financial Supervisory Commission or the Committee to be an insolvent financial institution, etc. on or before December 31, 2002 (excluding the cases where a financial assistance is newly rendered under Article 38 after the reasons for decision and recognition with respect to the provisions of subparagraph 5 or 5-2 of Article 2 have been resolved through a financial assistance rendered by the Corporation to the relevant insolvent financial institution, etc.).

Article 5 (Special Cases for Liquidator and Bankruptcy Trustee)

Where the Corporation or an executive or employee thereof is appointed as a liquidator or bankruptcy trustee under Article 20 (1) of the Special Act on the Management of Public Funds, the previous provisions of Article 35-8 (3) through (5) shall apply.

Article 6 (Special Cases for Payment of Special Contributions by Credit Unions)

In applying the amended provisions of Article 30-3, notwithstanding the amended provisions of subparagraphs 1 (n) and 2 (f) of Article 2, the previous provisions of subparagraphs 1 (n) and 2 (f) of Article 2 shall prevail from January 1, 2006 to December 31, 2017.

Article 7 (Transitional Measures following Change of Name of Policy Committee)

The Policy Committee as mentioned in the previous provisions at the time of the entry into force of this Act shall be deemed the Deposit Insurance Committee under this Act. In this case, the members of the Policy Committee commissioned in accordance with the previous provisions shall be deemed to be commissioned as the members of the Deposit Insurance Committee under this Act.

Article 8 (Transitional Measures following Dispatch of Public Officials, etc.)

The employees dispatched to the Corporation at the time of the entry into force of this Act shall be deemed to be dispatched in accordance with the amended provisions of Article 15-3.

Article 9 (Transitional Measures on Accounting, etc. of Redemption Fund)

The assets, liabilities, and other rights and obligations (excluding insurance premiums the payment date of which has not arrived until the enforcement date of this Act) which belong to the deposit insurance fund at the time of the entry into force of this Act shall be subject to universal succession by the redemption fund under the amended provisions of Article 26-3: Provided, That the accounts of credit unions established at the deposit insurance fund at the time of the entry into force of this Act shall be closed on January 1, 2010, and the assets, liabilities, and other rights and obligations shall be transferred to the National Credit Union Federation of Korea under Article 61 of the Credit Unions Act, on the said date, according to the standards, methods, and procedures as determined by the Minister of Finance and Economy. <Amended by Act No. 7027, Dec. 31, 2003>

Article 10 (Liquidation of Redemption Fund)

The redemption fund shall be liquidated not later than December 31, 2027, and the remainder of the assets, liabilities, and other rights and obligations shall revert to the National Treasury or the deposit insurance fund, as determined by the Financial Services Commission. <Amended by Act No. 8863, Feb. 29,

2008>

Article 11 Omitted.

ADDENDA <Act No. 6891, May 29, 2003>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 34 Omitted.

ADDENDUM <Act No. 7027, Dec. 31, 2003>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 36-7 shall apply on and after December 27, 2003.

ADDENDA <Act No. 7428, Mar. 31, 2005>

Article 1 (Enforcement Date)

This Act shall enter into force one year after the date of its promulgation.

Articles 2 through 6 Omitted.

ADDENDA <Act No. 7615, Jul. 29, 2005>

Article 1 (Enforcement Date)

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

Article 2 Omitted.

ADDENDA <Act No. 7885, Mar. 24, 2006>

Article 1 (Enforcement Date)

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

Article 2 (Valid Period for Request for Furnishing Information Pertaining to Financial Transactions, etc.)

(1) The amended provisions of Article 21-4 shall be valid until March 23, 2011. <Amended by Act No. 9406, Feb. 3, 2009>

(2) Anyone who has failed to submit materials or submitted false materials in violation of the provisions of Article 21-4 during the valid period referred to in the provisions of paragraph (1) shall be punished pursuant to this Act even after the lapse of the valid period referred to in the provisions of paragraph (1).

Article 3 Omitted.

ADDENDA <Act No. 8635, Aug. 3, 2007>

Article 1 (Enforcement Date)

This Act shall enter into force one year and six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 44 Omitted.

ADDENDUM <Act No. 8702, Dec. 21, 2007>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 30-4 shall enter into force on January 1, 2009.

ADDENDA <Act No. 8852, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 8863, Feb. 29, 2008>

Article 1 (Enforcement Date)

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

Articles 2 through 5 Omitted.

ADDENDA <Act No. 9134, Sep. 26, 2008>

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

(2) (Applicability to Limit of Rate of Insurance Premium) Where the limit of rate of the amount to be paid annually for insurance premium by each insured financial institution until August 31, 2021 to the balance of deposit, etc. is not fixed again with regard to the amended provision of Article 30 (1), the provisions of Article 30 (1) 1 through 6 of the amended Depositor Protection Act (Act No. 5492) shall apply. <Amended by Act No. 10691, May 19, 2011; Act No. 14128, Mar. 29, 2016>

ADDENDUM <Act No. 9392, Jan. 30, 2009>

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

ADDENDA <Act No. 9401, Jan. 30, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 11 Omitted.

ADDENDUM <Act No. 9406, Feb. 3, 2009>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 24-3 (2) (applicable only to the part regarding investment traders or investment brokers) shall enter into force on February 4, 2009; the amended provisions of the latter part of Article 30 (1) shall enter into force by insured financial institution according to the account under Article 24-3 (2) within five years from the effective date of this Act, as prescribed by the Presidential Decree; and the amended provisions of Article 39-2 shall enter into force on the date falling one month from its promulgation.

ADDENDA <Act No. 10303, May 17, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 10 Omitted.

ADDENDA <Act No. 10476, Mar. 29, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force on April 11, 2011.

Article 2 (Valid Period, etc. of Special Accounts)

(1) The amended provisions of Article 24-4 shall be valid until December 31, 2026.

(2) Where the Corporation closes the special accounts due to the lapse of their valid period under paragraph (1), it shall pay the National Treasury any balance of assets to the extent of the contributions by the Government under Article 24-4 (2) 1 and transfer the remainder into each account (excluding the account of mutual savings banks) of the deposit insurance fund by taking into account the insurance premiums per insured financial institution which are determined as the revenues of special accounts under Article 24-4 (2) 5.

Article 3 (Applicability to Financial Sources of Insurance Premiums of Special Accounts)

The amended provisions of Article 24-4 (2) 5 shall apply beginning from the insurance premiums calculated by daily pro-rata after this Act enters into force.

Article 4 (Applicability to Transfer of Assets and Liabilities into Special Accounts)

The amended provisions of Article 24-4 (3) shall apply beginning from the assets and liabilities of the account of mutual savings banks related to insurance contingency which occurs after January 1, 2011.

ADDENDA <Act No. 10522, Mar. 31, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force on March 2, 2012. (Proviso Omitted.)

Articles 2 through 28 Omitted.

ADDENDA <Act No. 10691, May 19, 2011>

Article 1 (Enforcement Date)

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

Article 2 (Valid Period for Request for Furnishing Financial Transaction information, etc.)

(1) The amended provisions of Article 21-4 shall be valid until March 23, 2019 from the date this Act enters into force. <Amended by Act No. 12494, Mar. 18, 2014>

(2) Anyone who fails to submit materials or submits false materials in violation of the amended provisions of Article 21-4 during the valid period under paragraph (1) shall be punished in accordance with this Act even after the lapse of the valid period under paragraph (1).

ADDENDA <Act No. 10854, Jul. 14, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 and 3 Omitted.

ADDENDA <Act No. 11845, May 28, 2013>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 18 Omitted.

ADDENDUM <Act No. 12494, Mar. 18, 2014>

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

ADDENDUM <Act No. 12714, May 28, 2014>

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

ADDENDA <Act No. 13453, Jul. 31, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force one year after the date of its promulgation.

Articles 2 through 18 Omitted.

ADDENDA <Act No. 13613, Dec. 22, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of subparagraph 2 (c) of Article 2, Articles 29 (3) through (5), 30 (6) and (7), 30-3 (2), and 44 (1) and (2) shall enter into force six months after the date of their promulgation.

Article 2 (Applicability to Refund and Extinctive Prescription of Insurance Premiums and Special Contributions)

The amended provisions of Articles 30 (6) and (7) and 30-3 (2) shall apply beginning with insurance premiums and special contributions paid after the amended provisions of Articles 30 (6) and (7) and 30-3 (2) under the proviso to Article 1 of the Addenda are enforced.

Article 3 (Transitional Measures concerning Fines for Negligence)

The former provisions shall apply to fines for negligence imposed on offenses committed before this Act enters into force.

Article 4 Omitted.

ADDENDUM <Act No. 14128, Mar. 29, 2016>

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

ADDENDA <Act No. 14242, May 29, 2016>

Article 1 (Enforcement Date)

This Act shall enter into force on December 1, 2016. (Proviso Omitted.)

Articles 2 through 22 Omitted.

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