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Act on the Efficient Disposal of Nonperforming Assets, etc. of Financial Companies and the Establishment of Korea Asset Management Corporation

South Korean Government

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Law Viewer

ACT ON THE EFFICIENT DISPOSAL OF NON-PERFORMING ASSETS, ETC. OF FINANCIAL COMPANIES AND THE ESTABLISHMENT OF KOREA ASSET MANAGEMENT CORPORATION

Act No. 5371, Aug. 22, 1997

Amended by Act No. 5505, Jan. 13, 1998

Act No. 5978, Apr. 30, 1999

Act No. 6073, Dec. 31, 1999

Act No. 6561, Dec. 31, 2001

Act No. 6627, Jan. 26, 2002

Act No. 6737, Dec. 5, 2002

Act No. 7058, Dec. 31, 2003

Act No. 7526, May 31, 2005

Act No. 7621, Jul. 29, 2005

Act No. 7796, Dec. 29, 2005

Act No. 7885, Mar. 24, 2006

Act No. 8140, Dec. 30, 2006

Act No. 8635, Aug. 3, 2007

Act No. 8698, Dec. 21, 2007

Act No. 8852, Feb. 29, 2008

Act No. 8863, Feb. 29, 2008

Act No. 9617, Apr. 1, 2009

Act No. 9670, May 13, 2009

Act No. 9703, May 21, 2009

Act No. 10303, May 17, 2010

Act No. 10522, Mar. 31, 2011

Act No. 10682, May 19, 2011

Act No. 11408, Mar. 21, 2012

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to prescribe the matters necessary for facilitating the efficient disposal of non-performing assets held by financial companies, etc. and for supporting the efforts for management normalization of the enterprises which show signs of insolvency and to contribute to the development of financial industries and the national economy through improving the liquidity and soundness of assets of financial companies, etc. , by creating a Non-Performing Loan Resolution Fund and Restructuring Fund,

and by establishing the Korea Asset Management Corporation, which are to carry out and support relevant services.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows: <Amended by Act No. 10522, Mar. 31, 2011>

1. The term "financial companies, etc." means those falling under one of the following items:
 - (a) Those which obtain authorization under Article 8 (1) of the Banking Act;
 - (b) The Korea Development Bank established under the Korea Development Bank Act;
 - (c) The Industrial Bank of Korea established under the Industrial Bank of Korea Act;
 - (d) The Export-Import Bank of Korea established under the Export-Import Bank of Korea Act;
 - (e) Nonghyup Bank established under the Agricultural Cooperatives Act;
 - (f) The National Federation of Fisheries Cooperatives established under the Fisheries Cooperatives Act;
 - (g) Such other institutions as prescribed by Presidential Decree from among those conducting financial services under other Acts;
2. The term "non-performing loans" means the principal of loans and interest thereon, payment guarantee, and other equivalent loans as prescribed by Presidential Decree which arise from credit transactions by financial companies, etc. and fall under any of the following items:
 - (a) A loan requiring the adoption of a special collection measure or management method which is not repaid in normal ways for any reason such as dishonor; and
 - (b) A loan whose collection is or is likely to be in any considerable risk in the light of the management conditions, financial standing, and expected demand for cash, of a debtor, etc. and which is recognized by the Management Committee under Article 14;
3. The term "enterprise showing signs of insolvency" means the enterprise which financial companies, etc. or organizations composed of financial companies, etc. (hereinafter referred to as "credit financial companies, etc.") judge, from among their clients, likely to face managerial difficulties or insolvency due to its mismanagement;
- 4.

The term "assets for non-business use" means assets falling under one of the following items:

- (a) Assets acquired by financial companies, etc. as payments of non-performing loans;
 - (b) Assets that financial companies, etc. intend to sell for improving their financial structure and normalizing their management, etc. , as prescribed by Presidential Decree; and
 - (c) Assets for non-business use prescribed by the Corporate Tax Act, the Local Tax Act, or other Acts and subordinate statutes;
5. The term "overseas non-performing assets" means assets possessed by foreign financial companies, etc. (referring to those established by the foreign Acts and subordinate statutes and operating the financial business, which are corresponding to financial companies, etc.) or overseas asset management institutions corresponding to the Korea Asset Management Corporation, which are corresponding to the non-performing loans and the assets for non-business use;
6. The term "self-rescue plan" means a plan which an enterprise showing signs of insolvency formulates in consultation with credit financial companies, etc. to dispose of its assets including real estate and securities, etc. or the affiliated companies thereof (hereinafter referred to as "assets subject to self-rescue plan") for the purpose of management normalization;
7. The term "affiliated company" means a company that is part of the same relevant business group controlled by himself in cases where 1 stockholder of the relevant business group controls a business group of mutual investment restriction or a business group of liability guaranty restriction designated pursuant to the Monopoly Regulation and Fair Trade Act; and
8. The term "acquisition" means that the Korea Asset Management Corporation acquires assets of financial companies, etc. or enterprises directly or at the expense of a Non-Performing Loan Resolution Fund under Article 38 or Restructuring Fund under Article 43-2.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

CHAPTER II EFFICIENT DISPOSAL OF NON-PERFORMING ASSETS, ETC.

Article 3 (Management of Non-Performing Assets by Financial Companies. etc.)

- (1) Financial companies, etc. shall make efforts to prevent non-performing loans by strengthening ex post facto control of their credit.
- (2) Financial companies, etc. shall make efforts to upgrade their managerial

soundness by accelerating the disposal of their non-performing loans and assets for non-business use (hereinafter referred to as "non-performing assets").

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 4 (Entrustment, Acquisition, etc. for Disposal of Non-Performing Assets)

- (1) Financial companies, etc. may entrust the Korea Asset Management Corporation with the disposal of non-performing assets (referring to the recovery or collection of claims, or sales of property; hereinafter the same shall apply), or request the Corporation to acquire them in order to promptly dispose of its non-performing assets.
- (2) The Korea Asset Management Corporation shall, when it is entrusted by financial companies, etc. with the disposal of non-performing assets or requested to acquire them from financial companies, etc. pursuant to paragraph (1), make efforts in order to promptly dispose of them.
- (3) Matters necessary for the entrustment and acquisition by the Korea Asset Management Corporation under paragraph (1) including the methods or procedures thereof and the priority and criteria, etc. for acquisition shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 5 (Support for Normalization of Enterprises Showing Signs of Insolvency)

- (1) Credit financial companies, etc. may request the Korea Asset Management Corporation to support the self-rescue plan of an enterprise showing signs of insolvency.
- (2) The Korea Asset Management Corporation may, when it is requested to support the self-rescue plan of an enterprise showing signs of insolvency from credit financial companies, etc. pursuant to paragraph (1), undertake the sale of the assets subject to self-rescue plan or acquire them for disposal in cases where an enterprise showing signs of insolvency entrusts the sale of such assets or requests the acquisition thereof.
- (3) The Korea Asset Management Corporation may, when financial credit financial companies, etc. request the support for a self-rescue plan pursuant to paragraph (1), conduct a management diagnosis or perform consulting services to support management normalization for the enterprise showing signs of insolvency.
- (4) Necessary matters relating to the entrustment and acquisition by the Korea

Asset Management Corporation including the methods or procedures thereof pursuant to paragraph (2) shall be prescribed by Presidential Decree.

- (5)The Korea Asset Management Corporation shall, when it disposes of the assets subject to self-rescue plan by undertaking the sale of such assets or acquires them pursuant to paragraph (2) , have the prices be paid first for the payment of debts which the enterprises showing signs of insolvency owe to credit financial companies, etc.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

CHAPTER III KOREA ASSET MANAGEMENT CORPORATION

SECTION 1 General Provisions

Article 6 (Establishment)

The Korea Asset Management Corporation (hereinafter referred to as the "Corporation") shall be established in order to accelerate the disposal of non-performing assets held by financial companies, etc. and to efficiently support the management normalization, etc. of the enterprises showing signs of insolvency.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 7 (Legal Status)

The Corporation shall be a juristic person.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 8 (Offices)

(1)The location of the main office of the Corporation shall be provided in its articles of incorporation.

(2)The Corporation may, when necessary for performing its services, establish branch offices or business offices in appropriate places as provided in its articles of incorporation.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 9 (Capital)

(1)The capital of the Corporation shall be one trillion won.

(2)The capital of the Corporation shall be invested by financial companies, etc.

(3)The Government may, when it is deemed necessary for supporting the performance of services by the Corporation, invest therein or support necessary expenses.

(4)The capital contribution by financial companies, etc. pursuant to paragraph (2) shall be determined in consideration of total assets or the size of paid-in capital of each financial company, etc. and necessary matters relating to

the payment of capital contribution including calculation methods, period and method of payment, etc. of capital contribution shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 10 (Stocks)

The capital of the Corporation shall be divided into stocks

[This Article Wholly Amended by Act No. 10682, May 19, 2011].

Article 11 (Articles of Incorporation)

(1)The articles of incorporation of the Corporation shall contain matters falling under each of the following subparagraphs:

- 1.Purpose;
- 2.Denomination;
- 3.Matters relating to the main office, branches, and business offices;
- 4.Matters relating to capital and stocks;
- 5.Matters relating to the Management Committee under Article 14 and the board of directors under Article 22 ;
- 6.Matters relating to officers and employees;
- 7.Matters relating to services and execution thereof;
- 8.Matters relating to the Non-Performing Loan Resolution Fund under Article 38 and the Restructuring Fund under Article 43-2 ;
- 9.Matters relating to the issuance of Non-Performing Loan Resolution Fund Bonds under Article 40, Bonds of the Restructuring Fund under Article 43-3 (2) and debentures;
- 10.Matters relating to accounting;
- 11.Matters relating to the methods of public announcement;
- 12.Matters relating to amendments to the articles of incorporation; and
- 13.Other matters as prescribed by Presidential Decree.

(2)The Corporation shall, when it intends to amend its articles of incorporation, obtain authorization from the Financial Service Commission with the resolution of its Management Committee provided in Article 14.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 12 (Registration)

(1)The Corporation shall be duly established upon the completion of establishment registration at the location of its main office.

(2)The matters to be entered in the establishment registration pursuant to paragraph (1) shall be as follows:

1. Purpose;
2. Denomination;
3. Location of the main office;
4. Capital;
5. Names and addresses of officers; and
6. Methods of public announcement.

(3) Matters necessary for the registration of the Corporation, other than those provided for in this Act shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 13 (Prohibition of Use of Similar Denominations)

No entity other than the Corporation shall use as its denomination, the "Korea Asset Management Corporation" or other terms similar thereto.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

SECTION 2 Management Committee

Article 14 (Establishment of Management Committee)

- (1) The Management Committee (hereinafter referred to as the "Committee") shall be established in the Corporation.
- (2) The Committee shall deliberate and resolve matters falling under each of the following subparagraphs:
 1. Formulation of and amendment to the operational policy and business plan of the Corporation;
 2. Amendment to the articles of incorporation;
 3. Formulation of and amendment to the operational rules;
 4. Drawing-up of and amendment to the budget, and the account settlement;
 5. Formulation of and amendment to the operational plan of the Non-Performing Loan Resolution Fund under Article 38 and the Restructuring Fund under Article 43-2;
 6. Annual issuance ceiling on Non-Performing Loan Resolution Fund Bonds under Article 40, Bonds of the Restructuring Fund under Article 43-3 (2) and debentures;
 7. Acquisition of non-performing assets and the real estate and securities held by enterprises showing signs of insolvency (limited to those exceeding the size prescribed by Presidential Decree) ;
 8. Acquisition of companies affiliated with enterprises showing signs of insolvency;
 9. Matters concerning the services under Article 26 (1) 3, 13, and 14; and

10. Other matters to be provided in the articles of incorporation from among those relating to the operation of a Public Corporation, the Non-Performing Loan Resolution Fund under Article 38 and the Restructuring Fund under Article 43-2.

(3) With respect to matters falling under paragraph (2) 9 which require a swift measure for efficient disposal of non-performing assets or for which simple and repetitive measure is expected, the Committee may have the board of directors of the Corporation handle such matters within the limit set by a prior resolution of the Committee.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 15 (Composition of Committee)

(1) The Committee shall be composed of five members falling under each of the following items:

1. The president of the Corporation;
2. A person designated by the Financial Service Commission from among public officials in general service belonging to the Senior Civil Service of the Financial Service Commission;
3. A person who is designated by the Minister of Strategy and Finance from among public officials in general service belonging to the Senior Civil Service of the Ministry of Strategy and Finance;
4. An officer designated by the president of the Korea Deposit Insurance Corporation under the Depositor Protection Act;
5. One executive appointed by the president of Korea Policy Banking Corporation under the Korea Finance Corporation Act from among the executives under his control;
6. Two persons at the deputy chairman level from the National Banks Association, incorporated association, that is established under Article 32 of the Civil Act by permission of the Financial Service Commission, and from financial companies, etc. which are members of the National Banks Association, upon recommendation of the president of the National Banks Association;
7. Each person with vast experiences and knowledge in financial industry and business management, commissioned by the Financial Service Commission, upon recommendation of the president of the Corporation from among those falling under each of the following items:
 - (a) An attorney-at-law or a certified public accountant;
 - (b)

A professor of a university or a doctorate holder who belongs to a research institute.

- (2)The terms of office of the members mentioned in paragraph (1) 7 shall be three years, qualifications for the members shall be prescribed by Presidential Decree, and Article 20 shall apply mutatis mutandis to the status guarantee of the members.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 16 (Operation of Committee)

- (1)The president of the Corporation shall be the Chairman of the Committee.
- (2)The Chairman shall represent the Committee and supervise the affairs concerning the administration of the Committee.
- (3)When the Chairman is unable to perform his duties and functions due to unavoidable reasons, the members mentioned in Article 15 (1) 2 through 6 shall act for him in the order of the provisions.
- (4)The Chairman shall call meetings of the Committee in accordance with the articles of incorporation, and preside over the meetings.
- (5)The resolutions of a Committee meeting shall be adopted by the attendance of a majority of all members and by the concurrence of a simple majority of those present.
- (6)Matters necessary for the operation of the Committee other than those provided in this Act shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

SECTION 3 Officers and Employees

Article 17 (Officers)

- (1)The Corporation shall have as its officers one president, one vice president, five or fewer directors, and one statutory auditor.
- (2)The president shall be elected at a stockholders' meeting subject to ex post facto approval from the Financial Service Commission.
- (3)The vice president and directors, with the recommendation of the president, shall be elected at a stockholders' meeting.
- (4)The statutory auditor shall be appointed and discharged by the Financial Service Commission.
- (5)The terms of office of the officers shall be three years. This shall also apply to the terms of newly elected or appointed officers due to vacancy of any officer.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 18 (Duties of Officers)

- (1)The president shall represent the Corporation and exercise general control over the business thereof.
- (2)The vice president shall assist the president and act for the president when the president is unable to perform his duties due to unavoidable reasons.
- (3)Directors shall assist the president and the vice president and undertake their respective duties in such manner as prescribed in the articles of incorporation, and when both the president and the vice president are unable to perform their duties due to unavoidable reasons, they shall act for them in the order provided in the articles of incorporation.
- (4)The statutory auditor shall audit the business affairs and accounts of the Corporation.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 19 (Disqualification for Officers)

No person falling under any of the following subparagraphs may be an officer of the Corporation:

- 1.A person who is not a Korean national; and
- 2.A person falling under any subparagraph of Article 33 of the State Public Officials Act.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 20 (Guarantee of Officer's Status)

No officer shall be discharged from his office against his own will during his term of office unless he falls under any of the following subparagraphs:

- 1.When he falls under any subparagraph of Article 19;
- 2.When he violates this Act, the orders thereunder, or the articles of incorporation; and
- 3.When he is unable to perform his duties on account of mental or physical disability.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 21 (Restriction on Power of Representation of President, etc.)

The president or the vice president or director who acts therefor pursuant to Article 18 (2) and (3) shall not represent the Corporation in the cases where his interests conflict with those of the Corporation. In such cases, the statutory auditor shall represent the Corporation.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 22 (Board of Directors)

- (1)The board of directors shall be established in the Corporation to resolve the matters which should be referred to the Committee and other

important matters concerning the duties of the Corporation.

- (2)The board of directors shall consist of the president, the vice president, and directors.
- (3)The president shall call a meeting of the board of directors, and preside over it.
- (4)The resolution of a board of directors shall be adopted by the attendance of a majority of all members and by the concurrence of a simple majority of those present.
- (5)The statutory auditor may attend a meeting of the board of directors and present his views.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 23 (Exercise of Rights and Appointment of Representatives)

An officer or employee designated by the president may conduct all judicial or extra-judicial actions pertaining to the business of the Corporation.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 24 (Appointment or Discharge of Employees)

The president shall appoint and discharge employees of the Corporation.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 25 (Prohibition of Concurrent Holding of Offices)

- (1)No officer or employee shall be concurrently engaged in any business, other than his office, for profit-making.
- (2)No officer shall concurrently hold other offices without approval from the Financial Service Commission, and no employee shall concurrently hold other offices without approval from the president.
- (3)The Committee members, the officers or employees of the Corporation, or the persons who had been in such positions shall not reveal any confidential information obtained in the course of performing their duties.
- (4)No officer or employee shall acquire properties which are related to the execution of the business of the Corporation in accordance with the articles of incorporation.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

SECTION4Services

Article 26 (Services)

- (1)The Corporation shall perform services falling under each of the following subparagraphs:
 - 1.Undertaking of the preservation and collection (including all acts arising from provisional attachment, provisional disposition, and court auction or

- litigation under the Civil Procedure Act and the Civil Execution Act; hereinafter the same shall apply) of non-performing loans, and acquisition and disposal thereof;
2. Management of the securitization assets entrusted under Article 10 (1) of the Asset-Backed Securitization Act;
 3. Performance of each service listed in the following items for efficient disposal of non-performing assets:
 - (a) Purchase of non-performing loans and acquisition of equity securities under Article 4 (2) 2 of the Financial Investment Services and Capital Markets Act (hereinafter referred to as "equity securities") arising from equity swaps of the investment on non-performing loans into equity;
 - (b) Acquisition of bonds or securities issued by a special purpose company, etc. under Article 3 (1) of the Asset-Backed Securitization Act;
 - (c) Loan of money to a corporation whose equity securities have been acquired pursuant to item (a) or which has been given investments pursuant to subparagraph 13 (hereinafter referred to as an "invested corporation") and guarantee of payment for such corporation to the extent determined by Presidential Decree within the scope of 500/100 of the total sum of the paid-in capital, revenue reserve, and business extension reserve of the Corporation; and
 - (d) Financial support, including sales of the assets (including collaterals) taken over by the Corporation on credit for purchasers, lending money and managing non-performing assets for their efficient disposal, or others such as contribution to debtors' recovery and preservation and value-increase of collaterals, and guarantee of payment (excluding guarantee of payment for redemption of any loan and interest thereon) within the scope of payment guarantee referred to in item (c) ;
 4. Preservation and collection of non-performing loans and investigation of assets belonging to persons related to the debts;
 5. Undertaking of the management and sales of the assets subject to self-rescue plan of an enterprise showing signs of insolvency, and the acquisition and disposal thereof;
 6. Management diagnosis of an enterprise showing signs of insolvency, and consultation for the support of normalization thereof;
 7. Management, sales, and brokerage of sales of assets for non-business use as well as assets belonging to corporations and their affiliated companies intending to reorganize their structure or improve their financial structure

- by way of merger, conversion and consolidation (hereinafter referred to as "restructuring companies") , and acquisition and arrangement thereof to intermediate sales and improve the soundness of financial companies, etc. ;
8. Management and operation of the Non-Performing Loan Resolution Fund under Article 38 and the Restructuring Fund under Article 43-2;
 9. Sales of attached property which governmental agencies entrust to the Corporation according to Acts and subordinate statutes, the follow-up management, such as distribution of paid prices, etc. , and purchase and development of related property (including qualified property, such as mortgage; hereinafter the same shall apply) in order to preserve and increase the value thereof;
 10. Management and disposal of property which governmental agencies entrust to the Corporation according to Acts and subordinate statutes, the preservation and collection of claims, and purchase and development of related property to preserve and increase the values thereof;
 11. Liquidation procedures of companies, not less than half of the stocks or shares of which are possessed by the State in accordance with the National Properties Act;
 12. Purchase and development of property arising from the performance of services offered by the Corporation under subparagraphs 1 through 5 and 7;
 13. Contributions and investments arising from the performance of services offered by the Corporation (excluding the services under subparagraph 14) ;
 14. Contributions and investments for the purposes of investments to the overseas non-performing assets on the companies, etc. as prescribed by Presidential Decree;
 15. Real estate-secured trust business and trust business for management or disposal of the real estate of restructuring companies, which are governed by the Financial Investment Services and Capital Markets Act; and
 16. Services incidental to those falling under subparagraphs 1 through 15, as prescribed by Presidential Decree.
- (2) Where the Corporation engages in the services under paragraph (1) 15, it shall be considered to legally obtain trust business authorization under the Financial Investment Services and Capital Markets Act.
- (3) Where the Corporation engages in the services for collection of claims under paragraph (1) 1, 2, 4 and 10, it shall be considered to legally obtain

permission for the credit information business under Articles 4 and 5 of the Use and Protection of Credit Information Act.

- (4)The Corporation may charge fees and expenses with regard to the performance of services mentioned in paragraph (1) 1 through 8, and 16 in such manner as determined by the Committee, and it may charge them fees and expenses with regard to the performance of services mentioned in paragraph (1) 9 through 11 and 15 in such manner as provided in the relevant Acts and subordinate statutes.
- (5)Necessary matters relating to the scope, criteria, etc. of the real estate for development mentioned in paragraph (1) 12 shall be prescribed by Presidential Decree.
- (6)Matters necessary for the limit of contributions and investments under the provisions of paragraph (1) 14 and risk-control systems, etc. shall be prescribed by Presidential Decree.
- (7)The Corporation shall formulate operational rules for performing the services pursuant to paragraph (1) and complete them through the resolution of the Committee. This shall also apply to the cases of the amendments thereto.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 27 (Promotion of Disposition of Real Estate)

- (1)The Corporation may take measures necessary for preservation or increase of utility values when it is difficult to sell the real estate acquired in relation to performance of services mentioned in Article 26 (1) 1 through 5, 7, 9 and 10 due to administrative restrictions or limitation in use; and it may purchase the adjoining real estate to those when it is necessary to preserve or to increase utility values thereof.
- (2)Necessary matters relating to the scope, criteria, and purchase procedures, etc. of the adjoining real estate mentioned in paragraph (1) shall be prescribed by Presidential Decree.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 28 (Lease, Operation, etc. of Movables, Real Estate, and Affiliated Companies)

- (1)The Corporation may lease acquired movables, real estate, and affiliated companies of an enterprise showing signs of insolvency until they are sold off.
- (2)The Corporation may, when necessary for performing its duties, participate in the management of a corporation referred to in the following

subparagraphs or arrange its staff members to work therefor:

1. An invested corporation;
2. A corporation to which the Corporation lends its money or for which the Corporation guarantees the payment under Article 26 (1) 3 (d) ; and
3. An affiliated company of an enterprise showing signs of insolvency which the Corporation has acquired.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

SECTION 5 Finance and Accounting

Article 29 (Fiscal Year)

The fiscal year of the Corporation shall be the same as that of the Government.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 30 (Business Plan, Budget, and Closing Accounts)

- (1) The business plan and budget of the Corporation shall be finalized through resolution of the Committee before the commencement of each fiscal year.
- (2) The closing statement of the Corporation shall be approved, through resolution of the Committee, at a stockholders' meeting within two months after the termination of each fiscal year.
- (3) The business plan, budget, and closing statement mentioned in paragraphs (1) and (2) shall be submitted to the Financial Service Commission without delay after the resolution of the Committee or the approval at a stockholders' meeting.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 31 (Revenue and Expenditure)

- (1) The revenue of the Corporation shall be the fees and sales margin in performing the services, and the income arising from operation, etc. of surplus funds.
- (2) The expenditure of the Corporation shall be the administrative costs and other expenses necessary for performing the services thereof.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 32 (Appropriation of Loss and Profit)

- (1) The Corporation shall, when it makes profits as a result of closing its accounts each fiscal year, appropriate them in the following order:
 1. Making up for carried-over losses;
 2. Accumulation of 20/100 or more of the profit in legal reserve until such legal reserve amounts to the capital provided in Article 9 (1) ;
 3. Accumulation in business expansion reserve; and

4.Dividends to stockholders.

(2)The Corporation shall, when it makes losses as a result of closing its accounts each fiscal year, make up for them with business expansion reserve mentioned in paragraph (1) 3; if not sufficient, with legal reserve mentioned in paragraph (1) 2; and, the insufficient amount shall be carried forward to the following fiscal year.

(3)The legal reserve and business expansion reserve mentioned in paragraph (1) 2 and 3 may, through resolution of the Committee, be transferred to the capital, the Non-Performing Loan Resolution Fund under Article 38 or the Restructuring Fund under Article 43-2.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]
Article 33 (Issuance of Debentures)

(1)The Corporation may, through resolution of the board of directors, issue debentures.

(2)The outstanding debenture shall not exceed ten times the aggregate of paid-in capital, legal reserve, and business expansion reserve of the Corporation.

(3)The Government may guarantee the repayment of principal and interest of the debentures issued by the Corporation. In this case, such issuing amount of the guaranteed debentures shall not be included in the limit mentioned in paragraph (2) .

(4)The extinctive prescription of the debentures shall be five years for principal, and two years for interest.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]
Article 34 (Borrowing of Funds)

The Corporation may borrow funds necessary for performing the services from domestic or foreign financial companies, etc. and other persons.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]
Article 35 (Operation of Surplus Funds)

The Corporation may operate its surplus funds arising in the course of performing its services by the methods falling under one of the following subparagraphs:

- 1.Deposit with financial companies, etc. ;
- 2.Purchase of state bonds or local government bonds, or securities whose payment is guaranteed by the Government or financial companies, etc. ;
- 3.Other methods determined by the Committee.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 36 (Request for Submission of Materials)

The Corporation may, when it deems necessary, request the competent administrative agency, interested persons, etc. to submit relevant materials.

Article 37 (Relation with Other Acts)

- (1)The provisions on stock companies in the Commercial Act shall apply mutatis mutandis to the Corporation, unless otherwise provided in this Act.
- (2)The debentures mentioned in Article 33 shall be deemed special bonds prescribed in Article 4 (3) of the Financial Investment Services and Capital Markets Act.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

CHAPTER IV NON-PERFORMING LOAN RESOLUTION FUND

Article 38 (Establishment of Non-Performing Loan Resolution Fund)

The Non-Performing Loan Resolution Fund (hereinafter referred to as the "Fund") shall be established in the Corporation in order to efficiently dispose of non-performing loan, etc. held by financial companies, etc.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 39 (Creation of Fund)

- (1)The Fund shall be created from the financial resources falling under one of the following subparagraphs: <Amended by Act No. 5505, Jan. 13, 1998; Act No. 6737, Dec. 5, 2002; Act No. 8140, Dec. 30, 2006; Act No. 10682, May 19, 2011>
- 1.Funds transferred from the Corporation;
 - 2.Contribution by the Government;
 - 3.Contribution from the Public Capital Redemption Fund under the Public Capital Redemption Fund Act;
 - 4.Funds raised from the issuance of the Non-Performing Loan Resolution Fund Bonds under Article 40;
 - 5.Borrowings from the Bank of Korea (hereinafter referred to as the "Bank of Korea") under the Bank of Korea Act;
 - 6.Borrowings from the persons other than the Bank of Korea mentioned in subparagraph 5; and
 - 7.Revenues from the operation of the Fund (including proceeds from resolution of non-performing loans and disposal of assets subject to self-rescue plans) and others.
- (2)Deleted. <by Act No. 7058, Dec. 31, 2003>
- (3)The Fund shall be deemed to have been designated as a government agency pursuant to Article 77 (2) of the Bank of Korea Act in case it borrows

funds from the Bank of Korea in accordance with paragraph (1) 5.

<Amended by Act No. 5505, Jan. 13, 1998; Act No. 8140, Dec. 30, 2006; Act No. 10682, May 19, 2011>

(4) Deleted. <by Act No. 7058, Dec. 31, 2003>

Article 40 (Issuance, etc. of Non-Performing Loan Resolution Fund Bonds)

(1) The Corporation may, with resolution of the Committee, issue the Non-Performing Loan Resolution Fund Bonds (hereinafter referred to as the "Bonds") at the expense of the Fund in order to raise funds necessary for acquisition and disposal of non-performing loan.

(2) Matters necessary for the issuance of the Bonds shall be prescribed by Presidential Decree.

(3) The extinctive prescription of the Bonds shall be five years for principal, and two years for interest.

(4) The Government may guarantee the repayment of principal and interest of the Bonds.

(5) Whenever the Corporation intends to issue the Bonds, it shall determine the amount, terms, and method of issuance and redemption thereof and report to the Financial Service Commission thereon.

(6) Article 37 (2) shall apply mutatis mutandis to the Bonds.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 41 (Management and Operation of Fund)

(1) The Corporation shall manage and operate the Fund.

(2) The Fund shall be used for the purpose of falling under each of the following subparagraphs: Provided, That the funds under Article 39 (1) 4 and the money and proceeds derived from the resolution of non-performing loans from among revenues from the operation of the Fund under subparagraph 7 of the same paragraph shall not be used for the purpose falling under subparagraph 3-2:

1. Funds necessary for the acquisition of the non-performing loan of financial companies, etc. and the assets subject to self-rescue plans for the enterprises showing signs of insolvency prescribed by Presidential Decree: Provided, That the annual amount of funds to be used for the acquisition of the assets subject to self-rescue plans of the enterprises showing signs of insolvency shall not exceed that to be used for the acquisition of non-performing loans of financial companies, etc. ;

2. Repayment of principal and interest of borrowed funds mentioned in Article 39 (1) 5 and 6;

- 3.Repayment of principal and interest of the Bonds;
 - 4.Lending money relating to the performance of services offered by the Corporation under Article 26 (1) 3, 7, 12 and 13;
 - 5.Performance of an agreement concluded under Article 4 (3) of the Public Capital Redemption Fund Act;
 - 6.Expenses for the management and operation of the Fund and others.
- (3)The Corporation may, when it has surplus funds in the Fund, manage them in such manner as provided in Article 35.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 42 (Operation Plan, etc. of Fund)

- (1)The Corporation shall draw up the annual operation plan with respect to the total revenue and expense of the Fund and finalize it through resolution of the Committee before the commencement of each fiscal year.
- (2)The Corporation shall prepare the closing statement, balance sheet, and income statement of the Fund within two months after the closing date of each fiscal year, and report them to the Committee before filing them with the Financial Service Commission.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 43 (Accounting of Fund)

- (1)The fiscal year of the Fund shall be same as that of the Government.
- (2)The Corporation shall keep the accounting of the Fund separately from its accounting.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

CHAPTER IV-2 RESTRUCTURING FUND

Article 43-2 (Establishment of Restructuring Fund)

The Restructuring Fund shall be established in the Corporation for the efficient undertaking, liquidation or such of non-performing assets held by financial companies, etc. and assets held by enterprises showing a sign of insolvency and enterprises under structural improvement.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 43-3 (Financial Resources of Restructuring Fund)

- (1)The Restructuring Fund shall be raised with financial resources referred to in the following subparagraphs:
 - 1.Contributions of financial companies, etc. ;
 - 2.Money transferred from the Corporation;
 - 3.Contributions by the Government;
 - 4.Funds raised by issuing the bonds of the Restructuring Fund under

paragraph (2) ;

5. Borrowed money from the Bank of Korea;

6. Borrowed money from persons, other than the Bank of Korea; and

7. Operational earnings of the Restructuring Fund (including earnings pursuant to liquidation of non-performing assets or such) and other earnings.

(2) The Corporation may issue bonds of the Restructuring Fund at the charge of the Restructuring Fund through a resolution of the Committee in order to raise funds necessary for undertaking and liquidation of non-performing assets held by financial companies, etc. and of assets held by enterprises showing a sign of insolvency and enterprises under structural improvement. In such cases, the provisions of Articles 37 (2) and 40 (2) through (5) shall apply mutatis mutandis to bonds of the Restructuring Fund.

(3) Article 39 (3) shall apply mutatis mutandis to cases where the Restructuring Fund borrows money from the Bank of Korea pursuant to paragraph (1) 5.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 43-4 (Management and Operation, etc. of Restructuring Fund)

(1) The Corporation shall manage and operate the Restructuring Fund.

(2) The Restructuring Fund shall be used for the purposes referred to in the following subparagraphs:

1. Undertaking of non-performing loans (excluding loans to individuals) ;

2. Undertaking of assets subject to the self-rescue plan of enterprises showing a sign of insolvency, assets for non-business use and assets of enterprises under structural improvement to improve the soundness of financial companies, etc. ;

3. Contribution to and investment in companies established to acquire non-performing loans and assets under subparagraphs 1 and 2 (including companies established to manage, operate and dispose of non-performing loans and assets acquired) ;

4. Conduct of affairs referred to in the following items for liquidation of non-performing loans and assets acquired pursuant to subparagraphs 1 and 2;

(a) Contribution to and investment in companies established for liquidation of non-performing loans and assets;

(b) Undertaking of equity securities pursuant to conversion of investment of non-performing loans;

- (c)Lending of money to and payment guarantee for companies which have invested pursuant to subparagraph 3 and item (a) ;
- (d)Lending of money to and payment guarantee for companies which have made conversion of investment pursuant to item (b) to support normalization of management; and
- (e)Undertaking of bonds and securities issued by specialized companies for securitization under Article 3 (1) of the Asset-Backed Securitization Act;
- 5.Redemption of the principal and interest of borrowed money pursuant to Article 43-3 (1) 5 and 6;
- 6.Redemption of the principal and interest of bonds of the Restructuring Fund under Article 43-3 (2) ;
- 7.Managerial and operating expenses of the Restructuring Fund and other expenses necessary for operation of the Restructuring Fund.
- (3)Articles 41 (3) , 42 and 43 shall apply mutatis mutandis to the operation and accounting of the Restructuring Fund.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

CHAPTER V SPECIAL CASES FOR PRO- MOTION OF DISPOSAL OF NON- PERFORMING ASSETS

Article 44 (Special Cases concerning Requisite to Set up against Assignment of Nominative Claim)

The Corporation shall, when it has completed the additional registration of transfer of mortgage in its name with respect to the registration of creation of mortgage of the secured non-performing loan acquired pursuant to Article 26 (1) 1, be deemed to have fulfilled requisite to set up against it pursuant to Article 450 of the Civil Act.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 45 (Special Cases concerning Furnishing Security for Auction)

The Corporation may, when it intends to be a bidder at an auction procedure under the Civil Execution Act, or to be a bidder on behalf of the financial companies, etc. which have entrusted with the collection of credits in order to perform the service mentioned in Article 26 (1) 1, furnish its certificate of payment assurance as security, notwithstanding Article 113 of the Civil Execution Act.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 45-2 (Special Cases concerning Notice and Service of Auction)

- (1)In the auction proceedings (limited to proceedings for the enforcement of security right) under the Civil Execution Act, of which proceedings are

initiated by the court upon the filing by a corporation as a creditor or an authorized person to collect the claim in the performance of its services described in Article 26 (1), notice or service requirements shall be deemed to be satisfied when such notice or service is delivered by the court to an address (if such address is different from the one on the resident registration card under the Resident Registration Act, the delivery shall be made to the latter; Provided, That if an address has been reported to the court, the delivery shall be made to the reported address) recorded on the registry book, at the time of application for such auction. When no such address is available, the requirements shall be satisfied in a manner of service by publication:

- (2)With respect to the auction proceedings described in paragraph (1) , a corporation as a creditor or an authorized person to collect the claim in performance of its services described in Article 26 (1) shall give a notice regarding details of the scheduled auction to the address of the concerned debtor and owner registered in the registry book of the real estate (if the address is different from one on the resident registration card under the Citizen Registration Act, including the latter) before applying for auction. In this case, the service requirement shall be satisfied once the notice has been sent.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 45-3 (Special Cases concerning Acquisition of Real Estates)

Real estates acquired by the Corporation during the course of its services under Article 26 (1) shall not be subject to Articles 3 and 4 of the Act on Special Measures for the Registration of Real Estate.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 46 (Tax Assistance, etc.)

The State or local governments may afford tax assistance necessary for performing the services of the Corporation.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 47 (Supervision)

The Financial Service Commission shall supervise the services of the Corporation, and may issue orders necessary for such supervision.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 48 (Reports, Examination, etc.)

- (1)The Financial Service Commission may, when it deems necessary, have the

Corporation report the matters concerning the services, accounting, properties, etc. of the Corporation, or have the employees belonging to itself or to the Governor of the Financial Supervisory Service (referring to the Financial Supervisory Service under the Act on the Establishment, etc. of Financial Services Commission; hereinafter the same shall apply in this Article) examine the service status, books, documents, facilities, or other necessary objects thereof.

- (2)The Financial Service Commission may, when it deems necessary, entrust the examination under paragraph (1) to the Governor of the Financial Supervisory Service.
- (3)Any person who conducts the examination mentioned in paragraphs (1) and (2) shall produce a certificate indicating his authority to examine to the concerned persons.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

CHAPTER VII PENAL PROVISIONS

Article 49 (Penal Provisions)

- (1)Any person who reveals any confidential information obtained in the course of performing their duties in violation of Article 25 (3) shall be punished by imprisonment for not more than two years or by a fine not exceeding ten million won. reveal any confidential information obtained in the course of performing their duties
- (2)Deleted. <by Act No. 11408, Mar. 21, 2012>

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

Article 49-2 (Fines for Negligence)

- (1)A person who uses "Korea Asset Management Corporation" or similar terms as its denomination shall be punished by a fine not exceeding one thousand won.
- (2)Fines under Article (1) shall be imposed and collected by the Financial Services Commission.

[This Article Newly Inserted by Act No. 11408, Mar. 21, 2012]

Article 50 (Legal Fiction as Public Officials in Application of Criminal Act)
Members provided in Article 15 (1) 4 through 7 and the officers of the Corporation shall be deemed public officials in application of the provisions of Articles 129 through 132 of the Criminal Act.

[This Article Wholly Amended by Act No. 10682, May 19, 2011]

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation.

Article 2 (Operation Period, etc. of Fund)

- (1)The raising of the financial resources of the Fund under the provisions of Article 39 (1) 2, 3, 3-2, and 4 through 6 may be made by not later than November 22, 2007 only for the redemption of bonds already issued for resolving the non-performing loans of financial companies, etc. , and the raising of the financial resources under the provisions of Article 39 (1) 7 may be made from November 23, 2002 until the date on which the operation period of the Fund under the provisions of paragraph (4) is to be completed. <Amended by Act No. 8140, Dec. 30, 2006>
- (2)The acquisition of the non-performing loans under Article 41 (2) 1 and the assets subject to self-rescue plans prescribed by Presidential Decree may be executed from the enforcement date of this Act to November 22, 2002. <Newly Inserted by Act No. 8140, Dec. 30, 2006>
- (3)The acquisition mentioned in Article 26 (1) 1 shall be made by the financial resources of the Fund during the period mentioned in paragraph (2) . <Amended by Act No. 8140, Dec. 30, 2006>
- (4)The operation of the Fund may be executed by not later than November 22, 2012. <Newly Inserted by Act No 8140, Dec. 30, 2006>
- (5)The Fund shall complete the repayment of principal and interest of the Bonds and borrowed funds and the disposal of the acquired assets, etc. by the date on which the operation period is completed under the provisions of paragraph (4) , and it shall refund the remaining assets of the Fund to contributors according to the disposition criteria considering the contribution ratio, etc. pursuant to Article 39 (1) 1 (referring to one before the deletion by the amendment of the Framework Act on the Management of Charges, Act No. 7058) through 3, and 3-2 within three months after the completion of operation period: Provided, That where inspection on assets and responsibilities of the Fund by the Minster of Finance and Economy under Article 7 (1) of the Public Capital Redemption Fund Act results in confirmation of assets remaining at the expiration of operational terms and the amounts are presumable, a part of presumed remaining assets may be returned before the expiration of operational terms. <Amended by Act No. 8140, Dec. 30, 2006; Act No. 8698, Dec. 21, 2007; Act No. 8863, Feb. 29, 2008>
- (6)Necessary matters relating to detailed criteria on the disposition, time, procedures, methods, etc. in settling the Fund pursuant to para- graph (5)

shall be prescribed by Presidential Decree. <Amended by Act No. 8140, Dec. 30, 2006>

Article 3 (Establishment Committee)

- (1)The Minister of Finance and Economy shall organize an establishment committee by commissioning not exceeding ten persons within one month from the date of promulgation of this Act, and have them perform the affairs relating to the preparation of establishment of the Corporation.
- (2)The establishment committee shall formulate the articles of incorporation of the Corporation, and obtain the authorization thereof from the Minister of Finance and Economy.
- (3)The establishment committee shall make a registration of establishment of the Corporation when the establishment committee obtains the authorization pursuant to paragraph (2) .
- (4)The establishment committee shall, when it completes the establishment registration of the Corporation pursuant to paragraph (3) , hand over its affairs and properties to the president of the Corporation, and the establishment committee members shall be deemed to be discharged from the committee when they completely transfer them.

Article 4 (Dissolution of Ex-Corporation)

The ex-Corporation established under Article 53-3 of the Korea Development Bank Act shall be deemed to have been dissolved as of the date of the establishment registration of the Corporation pursuant to Article 3 of this Addenda.

Article 5 (Succession of Properties, and Rights and Obligations)

- (1)The Corporation shall collectively succeed all properties, and rights or obligations belonging to the ex-Corporation established under Article 53-3 of the Korea Development Bank Act at the time of enforcement of this Act.
- (2)The value of the properties which the Corporation succeeds pursuant to paragraph (1) shall be their book value at the time of succession.
- (3)The actions conducted by the ex-Corporation established under Article 53-3 of the Korea Development Bank Act in accordance with the relevant Acts and subordinate statutes before the enforcement of this Act shall be deemed to have been conducted by the Corporation.

Article 6 (Transitional Measures on Investment by Korea Development Bank)

- (1)The properties which the Korea Development Bank had invested into the ex-Corporation established under Article 53-3 of the Korea Development

Bank Act before the enforcement of this Act shall be deemed those which the Korea Development Bank has invested into the Corporation pursuant to Article 9 (4) .

- (2)The reserves held by the ex-Corporation before the enforcement of this Act shall be deemed the profits accrued from investment by the Korea Development Bank pursuant to paragraph (1) , and may be transferred into the capital of the Corporation in such a manner as prescribed by Presidential Decree.

Article 7 (Expenses for Establishment)

The Corporation shall bear the expenses for its establishment.

Article 8 (Transitional Measures on Officers and Employees)

- (1)The officers of the ex-Corporation established under Article 53-3 of the Korea Development Bank Act at the time of enforcement of this Act shall be deemed those appointed under this Act. In this case, the terms of office of the officers shall comply with the previous provisions, and shall commence from the date on which they are appointed under the previous provisions.
- (2)The employees of the ex-Corporation established under Article 53-3 of the Korea Development Bank Act at the time of enforcement of this Act shall be deemed to have been appointed as those of the Corporation

Article 9 Omitted.

ADDENDA <Act No. 5505, Jan. 13, 1998>

- (1)(Enforcement Date) This Act shall enter into force on April 1, 1998:
 Provided, That the amended provisions of subparagraph 3 of Article 39 and Article 41 shall enter into force on the date of its promulgation.
- (2)(Transitional Measures on Disposition, etc.) Authorization and other actions executed by administrative agencies, etc. or various declaration and other actions made thereto under the previous provisions at the time of enforcement of this Act shall be regarded as the actions executed thereby or made thereto under this Act.

(3)through (5) Omitted.

ADDENDUM <Act No. 5978, Apr. 30, 1999>

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

ADDENDA <Act No. 6073, Dec. 31, 1999>

Article 1 (Enforcement Date)

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

Article 2 (Transitional Measures following Change of Corporate Name)

- (1)The ex-Corporation existing as of the enforcement of this Act shall be

deemed the Korea Asset Management Corporation under this Act.

(2) Any act or other legal relation performed or established under the name of the ex-Corporation at the time of enforcement of this Act shall be deemed to be done under the name of the Korea Asset Management Corporation under this Act.

(3) The name of the ex-Corporation on any registry or other public books at the time of enforcement of this Act shall be deemed the name of the Korea Asset Management Corporation under this Act.

Article 3 (Amendments to Other Acts)

(1) through (11) Omitted.

(12) The Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of Korea Asset Management Corporation or the ex-Corporation cited by other Acts and subordinate statutes at the time of enforcement of this Act shall be deemed the Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of Korea Asset Management Corporation or the Korea Asset Management Corporation under this Act in lieu thereof.

ADDENDA <Act No. 6561, Dec. 31, 2001>

Article 1 (Enforcement Date)

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

Article 2 Omitted.

ADDENDA <Act No. 6627, Jan. 26, 2002>

Article 1 (Enforcement Date)

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

Articles 2 through 7 Omitted.

ADDENDUM <Act No. 6737, Dec. 5, 2002>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 39 (1) 3-2 shall take effect on January 1, 2003.

ADDENDA <Act No. 7058, Dec. 31, 2003>

Article 1 (Enforcement Date)

This Act shall enter into force on January 1, 2004.

Article 2 Omitted.

ADDENDA <Act No. 7526, May 31, 2005>

Article 1 (Enforcement Date)

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

Article 2 (Valid Period)

The provisions of Article 45-2 (1) 2 through 9 shall be valid until and by June 30, 2006.

Article 3 (Application Examples regarding Special Examples of Auction Procedure Conducted by Application from Financial Institutions, etc.)

The provisions of Article 2 of the Addenda shall begin to apply from the case applied for auction for the first time after the enforcement of this Act.

Article 4 (Transitional Measures regarding Cases Which Have Already Been Applied for Auction)

The cases applied for auction on or before December 31, 2004 under the previous provisions of Article 45-2 (3) shall be governed by the previous provisions.

ADDENDUM <Act No. 7621, Jul. 29, 2005>

This Act shall enter into force six months after the date of its promulgation.

ADDENDA <Act No. 7796, Dec. 29, 2005>

Article 1 (Enforcement Date)

This Act shall enter into force on July 1, 2006.

Articles 2 through 6 Omitted.

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

Article 1 (Enforcement Date)

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

Articles 2 and 3 Omitted.

ADDENDUM <Act No. 8140, Dec. 30, 2006>

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

ADDENDUM <Act No. 8698, Dec. 21, 2007>

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

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

Article 1 (Enforcement Date)

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

Articles 2 through 44 Omitted.

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. 9617, Apr. 1, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 through 13 Omitted.

ADDENDA <Act No. 9670, May 13, 2009>

Article 1 (Enforcement Date)

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

Article 2 (Operational Period, etc. of Restructuring Fund)

- (1) The Restructuring Fund under the amended provisions of Article 43-3 (1) (hereafter referred to in this Article as the "Fund") may be operated from the date when the Fund has raised the financial resources after this Act enters into force to December 31, 2014.
- (2) For the period referred to in paragraph (1), non-performing loans under Article 26 (1) 1 (excluding loans to individuals), assets subject to the self-rescue plan of enterprises showing a sign of insolvency under subparagraph 3 of the same paragraph, assets for non-business use under subparagraph 5 of the same paragraph and assets of enterprises under structural improvement (hereinafter referred to as "non-performing assets") shall be undertaken with financial resources of the Fund: Provided, That this shall not apply to cases where it is not a fiscal year in which funds are raised and used to acquire non-performing assets, etc. in accordance with the plan for operation of the Restructuring Fund. <Amended by Act No. 11408, Mar. 21, 2012>
- (3) The Fund shall complete the redemption of the principal and interest of bonds and borrowed money of the Fund, and liquidation or such of assets undertaken until the date when the operational period under paragraph (1) expires, and shall revert residual property to the State Treasury within three months after the expiry of the operational period: Provided, That the Fund may revert part of residual property estimated to the State Treasury before the expiry of the operational period in cases where it is evident that residual property will exist on the expiry date of the operational period and its amount may be estimated as a result of the actual inspection by the Financial Services Commission on the assets and liabilities of the Fund.
- (4) The specific standards for, time of, procedures for and methods of conduct

for liquidation of the Fund under paragraph (3) and other necessary matters shall be prescribed by Presidential Decree.

Article 3 (Special Cases for Plan for Operation of Restructuring Fund in Year 2009)

(1) Notwithstanding Article 66 of the National Finance Act, the Corporation shall, when the Restructuring Fund has been established, formulate a plan for operation of the Restructuring Fund in the year 2009 without delay and present it to the Minister of Strategy and Finance through deliberation and resolution of the Committee.

(2) The Government shall present the plan for operation of the Restructuring Fund in the year 2009 under paragraph (1) to the National Assembly without delay. In such cases, the plan for operation of the Restructuring Fund in the year 2009 shall be deemed to have been confirmed.

Article 4 Omitted.

ADDENDA <Act No. 9703, May 21, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force on June 1, 2009; Provided, That Article 11 (2) of the Addenda shall enter into force on the date when Korea Policy Banking Corporation has been established under the Korea Policy Banking Corporation Act.

Articles 2 through 11 Omitted.

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. 10682, May 19, 2011>

Article 1 (Enforcement Date)

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

Article 2 Omitted.

Article 3 (Relationship with other Acts)

Where the previous Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of Korea Asset Management Corporation or the provisos thereof are cited in other Acts at the time this Act enters into force, and where corresponding provisions exist in this Act, this Act or the corresponding provisions in this Act shall be

deemed to have been cited in lieu of the previous Act on the Efficient Disposal of Non-Performing Assets, etc. of Financial Institutions and the Establishment of Korea Asset Management Corporation or the provisions thereof.

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. 11408, Mar. 21, 2012>

Article 1 (Enforcement Date)

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

Articles 2 (Transitional Measures for Penal Provisions)

For acts performed before this Act enters into force, formal penal provisions shall apply.

PC Version

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