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NATIONAL FINANCE ACT

[Enforcement Date 10. Feb, 2026.] [Act No.21341, 10. Feb, 2026., Partial
Amendment]

기획예산처 (지출혁신과)044-214-1873



법제처 국가법령정보센터

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CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose) The purpose of this Act is to provide for the matters concerning national finance, including the management of the State's budget, funds, settlement of accounts, and performance along with the State's obligations, with the aim of establishing a framework for efficient, performance-focused and transparent financial management and sound fiscal operations and enhancing the public nature of financial management.
<Amended on Mar. 31, 2020>

Article 2 (Fiscal year) The State's fiscal year commences on January 1 of each year, and ends on December 31 of each year.

Article 3 (Principle of independence of fiscal years) The expenses for each fiscal year shall be covered by the revenue or income generated during the corresponding year.

Article 4 (Classification of accounts) (1) The State's accounts shall be classified as general accounts and special accounts.
(2) General accounts shall be established for appropriating major revenues, including tax revenues, to the State's general expenditures.
(3) A special account shall be established only by an Act when the State plans to operate a specific project, to hold a specific fund for management, when it is necessary to treat the account of certain revenue separately from general accounts to appropriate such revenue for certain expenditure; provided, no special account shall be established, unless authorized by any of the Acts specified in Appendix 1. <Amended on Jan. 1, 2014>

Article 5 (Establishment of funds) (1) A fund may be established by an authority granted by an Act, only when the State needs to manage a specific fund for a specific purpose, in a

flexible manner; provided, no fund may be established with contributions from the Government or the private sector or charges received pursuant to an Act, unless there is due authorization by any of the Acts specified in Appendix 2. <Amended on Jun. 9, 2020>

(2) Any fund established pursuant to paragraph (1) may be operated independently of the revenue and expenditure budgets.

Article 6 (Independent government bodies and central government agencies) (1)

"Independent government body" in this Act means the National Assembly, the Supreme Court, the Constitutional Court, and the National Election Commission.

(2) "Central government agency" in this Act means any central administrative agency established pursuant to the Constitution of the Republic of Korea, the Government Organization Act, or any other Act.

(3) The Secretary General of the National Assembly, the Minister of Court Administration, the Secretary General of the Constitutional Court, or the Secretary General of the National Election Commission shall be deemed the head of a central government agency for the purposes of this Act. <Amended on Jun. 9, 2020>

Article 7 (Formulation of national financial management plans) (1)

The Government shall formulate a financial management plan covering a period spanning at least five fiscal years from the pertinent fiscal year (hereinafter referred to as "national financial management plan") to promote efficiency and soundness in financial management, and shall submit such plan to the National Assembly by no later than 120 days before the commencement of a new fiscal year. <Amended on May 28, 2013; Jun. 9, 2020>

(2) The national financial management plans shall include the following: <Amended on May 17, 2010; Dec. 20, 2016; Mar. 31, 2020; Jun. 9, 2020; Feb. 10, 2026>

1. Basic direction for, and objectives of, financial management and implementation measures therefor;
2. Medium term financial forecasts and grounds thereof;
3. Plans for allocation of resources for each area and direction-setting for investment;
4. The rate of increase in scale of finances and grounds therefor;
- 4-2. The rate of increase in mandatory expenditure (referring to legal expenditure and interest expenditure, the obligation of which arises according to Acts, and the scale of expenditure of which is decided according to statutes, among Treasury expenditures and the scope thereof shall be prescribed by Presidential Decree) and details of its

computation;

4-3. Forecast and ground, for each area, of the rate of increase in discretionary expenditure (referring to expenditure excluding mandatory expenditure from Treasury expenditure) and management plan thereof;

4-4. The rate of increase in the Treasury revenue, such as revenue, non-tax revenue or fund revenue, and grounds therefor;

5. Forecast tax burden ratio and per-capita burden ratio;

6. Forecast and ground for consolidated fiscal balance (referring to the financial statistics that combines general accounts, special accounts and funds, meaning the amount calculated by subtracting net expenditure from net income; hereinafter the same shall apply); provided, the funds to be excluded from consolidated fiscal balance shall be prescribed by Presidential Decree in accordance with the standards recommended by international organizations;

7. Deleted; <May 17, 2010>

8. Other matters specified by Presidential Decree.

(3) The national financial management plans submitted to the National Assembly in accordance with paragraph (1) shall be accompanied by the following documents: <Added on May 17, 2010; Jan. 1, 2014; Mar. 31, 2020; Jun. 15, 2021; Feb. 10, 2026>

1. Evaluation and analysis reports on changes in the national financial management plan compared to the one formulated in the preceding year, reasons for the changes, and management plan, implementation results, etc.;

2. Medium-and long-term fund financial management plans established under Article 73-4;

3. The State obligations management plans established under Article 91;

4. Medium-and long-term plans to implement tax policies established under Article 20-2 of the Framework Act on National Taxes;

5. Long term financial forecasts under paragraph (4).

(4) The Minister of Planning and Budget shall conduct a long-term financial forecast for a period of at least 40 fiscal years every 5 years; provided, if there is a change in internal and external conditions that may have a significant impact on the results of the existing long-term financial forecast, he or she may conduct the forecast as needed. <Added on Mar. 31, 2020; Oct. 1, 2025; Feb. 10, 2026>

(5) The Minister of Planning and Budget may request the head of the relevant State agency or public organization to submit data concerning forecasts for medium-and-long term

macro domestic or overseas economy and financial forecasts, or consult on such matters with the head of the relevant State agency or public organization, whenever it is necessary for establishing a national financial management plan. <Amended on Feb. 29, 2008; May. 17, 2010; Mar. 31, 2020; Jun. 9, 2020; Oct. 1, 2025>

(6) When establishing a national financial management plan, the Minister of Planning and Budget shall consult with the head of the relevant central government agency. <Amended on Feb. 29, 2008; May. 17, 2010; Mar. 31, 2020; Oct. 1, 2025>

(7) Except as provided in paragraphs (1) through (6), necessary matters for establishing national financial management plans shall be prescribed by Presidential Decree. <Amended on May 17, 2010; Mar. 31, 2020>

(8) When the revised budget Bill under Article 35 and the supplementary revised budget Bill under Article 89 are submitted, the Minister of Planning and Budget shall report to the National Assembly their effects on the total amount of finances of the national financial management plan, including the fiscal balance of revenues and State obligations, and the measures to manage them. <Added on May 17, 2010; Mar. 31, 2020; Oct. 1, 2025>

(9) The Minister of Planning and Budget shall report to the competent Standing Committee of the National Assembly the direction-setting for establishing the national financial management plan, such as the size of finances, fiscal balance of revenues, and allocation of resources no later than 30 days before submitting any national financial management plan to the National Assembly. <Added on May 17, 2010; Dec. 30, 2014; Mar. 31, 2020; Oct. 1, 2025>

(10) The head of each central government agency shall consult with the Minister of Planning and Budget in advance, whenever he or she establishes a medium-and-long term plan that entails Treasury expenditures. <Amended on Feb. 29, 2008; May 17, 2010; Mar. 31, 2020; Oct. 1, 2025>

(11) The head of each local government shall consult in advance with the head of the relevant central government agency, when he or she establishes a plan for a project of at least the scale prescribed by Presidential Decree to be executed with national financial funding. In such cases, the head of the central government agency shall consult with the Minister of Planning and Budget. <Amended on Feb. 29, 2008; May 17, 2010; Mar. 31, 2020; Jun. 9, 2020; Oct. 1, 2025>

Article 8 Deleted. <Dec. 21, 2021>

- Article 8-2 (Designation of specialized survey and research institutions)** (1) In order to properly evaluate preliminary feasibility studies, etc., the Minister of Planning and Budget may designate the Korea Development Institute and the Korea Institute of Public Finance, established under the Act on the Establishment, Operation and Fostering of Government-Funded Research Institutes, and institutions that meet the standards for designation prescribed by Presidential Decree in terms of expert personnel, survey and research capabilities, etc. as a specialized institution to carry out all or some of the following business affairs: <Amended on Jan. 28, 2016; Mar. 31, 2020; Dec. 21, 2021; Oct. 1, 2025>
1. The preliminary feasibility survey on projects prescribed in Article 38(1) and (3) and specialized survey and research on such surveys;
 2. The feasibility review of projects prescribed in Article 50(2) and (4) and specialized survey and research on such reviews;
 3. Performance evaluation of fiscal projects under Article 85-8(1) and specialized survey and research related to such performance evaluation;
 4. The operation of the fund management evaluation team prescribed in Article 82(2);
 5. The operation of the financial performance evaluation team under Article 85-5(4);
 6. The operation of the team for evaluating the operation of charges prescribed in Article 8(4) of the Framework Act on the Management of Charges;
 7. The operation of the team for evaluating subsidized projects prescribed in Article 15(3) of the Subsidy Management Act;
 8. The operation of the team for evaluating the performance of projects funded with the lottery fund prescribed in Article 22(4) of the Lottery Tickets and Lottery Fund Act.
- (2) The Minister of Planning and Budget may donate funds to specialized institutions designated in accordance with paragraph (1) to subsidize expenses incurred in carrying out business affairs assigned to them. <Amended on Oct. 1, 2025>
- (3) The Minister of Planning and Budget may revoke the designation of a specialized institution in any of the following cases in accordance with paragraph (1); provided, in cases of subparagraph 1, the Minister of Finance and Economy shall revoke the designation of the specialized institution involved: <Amended on Oct. 1, 2025>
1. If the designation is obtained by fraud or other improper means;

2. If a specialized institution fails to meet the standards for designation prescribed in paragraph (1);
 3. If a specialized institution is found to have not properly performed the business affairs prescribed in paragraph (1) or the business affairs that a specialized institution has carried out is found to be beyond the objectives for which it has been designated.
 - (4) Where the Minister of Planning and Budget intends to revoke the designation of a specialized institution in accordance with paragraph (3), he or she shall hold a hearing. <Added on Dec. 21, 2021; Oct. 1, 2025>
 - (5) Matters necessary for the designation and operation of specialized institutions prescribed in paragraph (1) and other relevant matters shall be prescribed by Presidential Decree. <Amended on Dec. 21, 2021>
- [This Article Added on Jan. 1, 2014]
- [Title Amended on Dec. 21, 2021]

- Article 9 (Publication of fiscal information)** (1) The Government shall publish the budget, funds, settlement of accounts, the State bonds, loans, present value of the State-owned assets, consolidated fiscal balance, general government and public sector financial statistics under paragraph (2), and other important matters prescribed by Presidential Decree concerning finances of the State and local governments, by appropriate means, including information communications media and printed materials, at least once a year in a transparent and easy-to-understand manner. <Amended on Mar. 31, 2020; Jun. 9, 2020>
- (2) The Minister of Planning and Budget shall prepare statistics (hereinafter referred to as "general government and public sector financial statistics") comprehensively indicating the following financial conditions based on the settlement of accounts for each fiscal year; in such cases, subparagraphs 2 and 3 shall be prepared in consultation with the head of the relevant agency or the head of a relevant central government agency: <Added on Mar. 31, 2020; Oct. 1, 2025>
1. General accounts, special accounts, and funds of the State and local governments;
 2. Among the following institutions, non-marketable institutions prescribed by Presidential Decree:
 - a. Public institutions under the Act on the Management of Public Institutions;
 - b. Local government-invested public corporations and local public agencies established under the Local Public Enterprises Act;

c. Other corporations recognized for their public nature, such as public broadcasting companies and national university corporations.

3. Marketable institutions (excluding institutions in charge of financial management) referred to in the items of subparagraph 2, which are prescribed by Presidential Decree.

(3) The Minister of Finance and Economy and the Minister of Planning and Budget may request the heads of central government agencies, local governments, or related institutions to submit materials necessary for publishing the financial information under paragraph (1) or for compiling general government and public sector financial statistics under paragraph (2). <Amended on Mar. 31, 2020; Oct. 1, 2025>

(4) The head of a central government agency shall disclose the status of operation of the revenue and expenditure budget of the relevant central government agency, and a person who manages and operates funds under respective statutes (excluding persons entrusted with the management or operation of funds; hereinafter referred to as "fund managing entity") shall disclose the status of operation of the relevant funds on its website. <Added on Dec. 30, 2014; Dec. 20, 2016; Mar. 31, 2020; Dec. 21, 2021>

(5) In disclosing the current status of operation of the revenue and expenditure budget and the current status of operation of the fund under paragraph (4), materials explaining each project shall be attached to each project. Other matters necessary for such disclosure shall be prescribed by Presidential Decree. <Added on Dec. 30, 2014; Dec. 20, 2016; Mar. 31, 2020>

(6) The Minister of Planning and Budget shall prepare guidelines regarding paragraphs (4) and (5) and notify such guidelines to both the head of each central government agency and each fund managing entity, respectively, and shall request correction if any matter is inconsistent with such guidelines. In such cases, the head of each central government agency and each fund entity shall comply with such request, unless otherwise provided in other statutes or regulations. <Added on Dec. 20, 2016; Mar. 31, 2020; Jun. 9, 2020; Oct. 1, 2025>

Article 9-2 (Submission of data related to finances) The Minister of Finance and Economy shall submit the documents under subparagraphs 1 and 2 and the Minister of Planning and Budget shall submit the documents under subparagraph 3, to the National Assembly each year no later than 120 days before the commencement of each fiscal year:

<Amended on May 28, 2013; Oct. 1, 2025>

1. A State guarantee obligation management plan prescribed in Article 92;
2. A medium-and-long-term financial management plan prescribed in Article 39-2 of the Act on the Management of Public Institutions;
3. Estimation of government disbursement for build-transfer-lease projects prescribed in Article 24-2 of the Act on Public-Private Partnerships in Infrastructure.

[This Article Added on May 17, 2010]

- Article 10 (Gathering opinions about financial management)** (1) The Minister of Planning and Budget shall operate an Advisory Council on Fiscal Policy (hereinafter referred to as the "Advisory Council") comprised of public officials from each central government agency and local government as well as civilian experts, etc. to gather their opinions about financial management. <Amended on Feb. 29, 2008; Dec. 31, 2008; Oct. 1, 2025>
- (2) The Minister of Planning and Budget shall, whenever preparing a national financial management plan, formulating a budget bill for each fiscal year, or preparing a draft fund management plan, go through in advance the process of gathering opinions from the Advisory Council. <Amended on Feb. 29, 2008; Dec. 31, 2008; Oct. 1, 2025>
- (3) Necessary matters concerning organization, functions, management, etc. of the Advisory Council shall be prescribed by Presidential Decree. <Amended on Dec. 31, 2008>

- Article 11 (Control over administrative affairs)** (1) The Minister of Finance and Economy shall exercise control over business affairs relating to budget and funds and the Minister of Planning and Budget shall exercise control over business affairs relating to settlement of accounts and . <Amended on Oct. 1, 2025>
- (2) The head of each central government agency shall, whenever he or she seeks enactment of, amendment to, or repeal of statutes or regulations related to the business affairs under paragraph (1) or intends to have a matter pertaining to the administrative affairs under paragraph (1) prescribed by statutes or regulations, consult with the Minister of Finance and Economy or the Minister of Planning and Budget, in accordance with the affairs under their jurisdiction. <Amended on Feb. 29, 2008; Oct. 1, 2025>

- Article 12 (Contributions)** The State may grant contributions to a pertinent institution, if it has been empowered by legislation to do so, in order to accomplish a specific objective, including conducting national research and development projects and managing an institution that serves public benefit.

Article 13 (Transfer of surplus financial resources between accounts and funds) (1)

Notwithstanding any provisions in any other Act, the Government may, if necessary for efficient management of national finance, make the best comprehensive use of surplus financial resources by transferring the resources between an account and a fund or between accounts or funds to the extent this does not interfere with execution of the intended purpose of such account and fund; provided, the foregoing shall not apply to the following special accounts and funds: <Amended on Mar. 28, 2008; Jun. 9, 2020>

1. A special account for postal insurance;
2. The national pension fund;
3. The pension fund for public officials;
4. The pension fund for teaching staff of private schools;
5. The veterans' pension fund;
6. The employment insurance fund;
7. The industrial accident compensation insurance and prevention fund;
8. The fund for guarantee of wage claims;
9. The radioactive wastes control fund;
10. Other special accounts and funds prescribed by Presidential Decree among the special accounts and funds with loans, charges under Article 2 of the Framework Act on the Management of Charges as major financial sources.

(2) The Minister of Planning and Budget shall, whenever he or she intends to make a transfer in accordance with the provisions of paragraph (1), consult with the head of the central government agency and the fund managing entity concerned, and shall reflect the results thereof in the budget Bill or the draft fund management plan. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 14 (Examination of establishment of special accounts and funds) (1) The head of a central government agency that intends to establish a new special account or fund in connection with his or her assigned business affairs shall submit to the Minister of Planning and Budget a plan for establishment of such special account or fund (hereafter referred to as "plan" in this Article) before making the prior announcement of legislation for the Bill of the pertinent Act, and shall request the Minister to examine the feasibility of such establishment. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(2) Upon receipt of a request for examination in accordance with paragraph (1), the Minister of Planning and Budget shall examine whether the fund meets the guidelines prescribed in subparagraphs 1 through 4 below or whether the relevant special account meets the guidelines under subparagraphs 4 and 5 below; in such cases, the Minister shall seek advice from the Advisory Council in advance: <Amended on Feb. 29, 2008; Dec. 31, 2008; Jan. 1, 2014; Oct. 1, 2025>

1. The financial resources of the fund including charges shall be closely related to the purported project;
2. It is required to promote the project in a flexible manner due to the characteristics of the project;
3. It is possible to raise financial resources and promote the project in a stable manner in the medium-and-long term;
4. It is more effective to execute the project with a new special account or fund than with the general accounts or the existing special account or fund;
5. It is necessary to treat an account for the fund separately from the general accounts to implement a particular project or appropriate revenue from a particular source for a particular purpose of expenditure.

(3) When the Minister of Planning and Budget concludes, as a result of the examination under paragraph (2), that the proposed establishment of a new special account or fund fails to meet the guidelines for examination under paragraph (2), he or she may request the head of the central government agency who submitted the plan to review or revise such plan. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 15 (Consolidation and closure of special accounts and funds) A special account or fund may, if it falls under any of the following subparagraphs, be closed or consolidated into another special account or fund:

1. If the objectives of its establishment have been achieved;
2. If it is found impossible to achieve the objectives of its establishment;
3. If the special account or fund as established is similar to, or overlaps with another special account or fund;
4. If it is determined desirable in other respects to consolidate it into the general accounts for management in order to enhance the efficiency and transparency of financial management.

CHAPTER II BUDGET

SECTION 1 General Provisions

Article 16 (Budgeting principles) The Government shall comply with the following principles in formulating and executing its budget: <Amended on May 17, 2010; Jan. 1, 2013; Jun. 9, 2020; Jun. 15, 2021; Sep. 24, 2021; Dec. 21, 2021>

1. The Government shall make every effort to secure financial soundness;
2. The Government shall make every effort to minimize the burdens of people;
3. The Government shall improve the outcomes of Treasury expenditures and tax expenditures under Article 142-2(1) of the Restriction of Special Taxation Act in conducting financial management;
4. The Government shall strive to enhance transparency and citizens' participation in the budgetary process;
5. The Government shall evaluate the effects of the budget on women and men, including the results of gender impact assessment under subparagraph 1 of Article 2 of the Gender Impact Assessment Act, and shall endeavor to reflect such results in the Government's budgeting;
6. The Government shall evaluate the effects of the budget on the reduction of greenhouse gases defined in subparagraph 5 of Article 2 of the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis (hereinafter referred to as "greenhouse gas") and shall endeavor to reflect the results thereof in the Government's budgeting.

Article 17 (Principle of comprehensiveness of budget) (1) The budget revenue shall include all receipts during a fiscal year, while the budget expenditure shall include all spending.

(2) Except as provided for in Article 53, all revenues and expenditures shall be included in the budget.

Article 18 (Financial resources for state expenditure) The financial resources for State expenditure shall be the revenues other than State bonds or loan funds borrowed (including loan funds borrowed from foreign governments, international cooperative organizations and foreign corporations; hereinafter the same shall apply); provided, funds

raised through State bonds and loan funds borrowed may, if unavoidable, be appropriated for expenditure within the scope of the amount approved by a resolution of the National Assembly.

Article 19 (Composition of budget) Budget refers collectively to the budgetary general provisions, revenue and expenditure budgets, continuing expenditure, specified carryover funds, and commitments to assume Treasury obligations.

Article 20 (Budgetary general provisions) (1) The budgetary general provisions shall provide for the following matters in addition to comprehensive provisions concerning revenue and expenditure budgets, continuing expenditure, specified carryover funds, and commitments to assume Treasury obligations: <Amended on Dec. 31, 2008>

1. Ceilings on State bonds and loan funds borrowed under the proviso of Article 18 (including ceilings on the issuance of State bonds and borrowing of loan funds reflected in the draft fund management plan for a fund managed by the head of a central government agency);
2. Maximum amount of issuance of treasury bills and temporary loan funds borrowed under Article 32 of the Management of the National Funds Act;
3. Other matters necessary for budget execution.

(2) Where necessary to replace existing State bonds with new State bonds, the Government may issue State bonds in excess of the ceilings referred to in paragraph (1)1. In such cases, the Government shall report the fact to the National Assembly in advance. <Added on Dec. 31, 2008>

Article 21 (Classification of revenue and expenditure budgets) (1) Revenue and expenditure budgets may be divided into accounts as required.

(2) Revenue and expenditure budgets shall be classified by the affairs assigned to each independent government body and central government agency, and then divided into general accounts and special accounts.

(3) The contents of the revenue budget shall be subdivided by nature into sections and paragraphs in accordance with the division under the provisions of paragraph (2), while the contents of the expenditure budget shall be subdivided by function, nature, or agency accountable into chapters, sections, and paragraphs in accordance with the division under the provisions of paragraph (2).

(4) More specific budget classification standards and classification into subparagraphs and items based on the characteristics of each expense shall be prescribed by the Minister of Planning and Budget. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 22 (Reserve fund) (1) The Government may appropriate the amount equivalent to or less than 1/100 of the total budget of the general accounts to the reserve fund so that it can be spent for expenditure not reflected in the budget or expenditure exceeding the budget; provided, the reserve funds designated in advance for use in accordance with the budgetary general provisions may be reflected in the revenue and expenditure budgets, notwithstanding the provisions of the main clause above. <Amended on Jun. 9, 2020>
(2) Notwithstanding the proviso of paragraph (1), the purpose of spending reserve funds may not be designated for appropriation for personnel expenditure for raising remuneration for public officials. <Amended on Jun. 9, 2020>

Article 23 (Continuing expenditure) (1) Expenditure on the projects for construction works, manufacturing, or research and development, which take several years for completion, may be disbursed over the course of several years within the ceiling on the total amount of the expenditure and annual installments determined and approved in advance by the National Assembly. <Amended on Jun. 9, 2020>
(2) The length of time during which the State may disburse expenditure pursuant to paragraph (1) shall not exceed five years from the fiscal year; provided, the length of time may be extended exceptionally up to 10 years, if deemed necessary in terms of the scale of a project and the national financial situation. <Amended on Mar. 21, 2012; Jun. 9, 2020>
(3) The Minister of Planning and Budget may extend the length of time for expenditure prescribed in paragraph (2), subject to resolution by the National Assembly, if deemed necessary. <Added on Mar. 21, 2012; Oct. 1, 2025>

Article 24 (Specified carryover fund) (1) When it is anticipated that a certain expenditure in the expenditure budget will not be completely disbursed during the relevant year, such expenditure may be transferred to and used in the following year with the prior approval of the National Assembly by clearly stating the purport of the expenditure in the revenue and expenditure budgets.
(2) When there is any unavoidable cause in budget execution for the specified funds carried over under paragraph (1), the head of the relevant central government agency may

incur the expenditure that shall be disbursed over the course of the following year within the limit approved by the Minister of Planning and Budget, clearly stating such circumstance and the amount for each case. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(3) When the Minister of Planning and Budget approves the incurring of the expenditure that shall be disbursed over the course of the following year in accordance with paragraph (2), he or she shall notify the Minister of Finance and Economy and the Board of Audit and Inspection thereof. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 25 (Commitments to assume treasury obligations) (1) The State shall, when it intends to make a commitment to assume Treasury obligations in addition to those made pursuant to a pertinent Act or those within the limits of the expenditure budget or the total continuing expenditure, obtain a prior resolution of the National Assembly as part of such budget.

(2) The State may, if necessary for recovery from disasters and calamities in addition to those provided for in paragraph (1), make a commitment to assume Treasury obligations within the extent resolved by the National Assembly each fiscal year. In such cases, such commitment shall be executed in accordance with the procedure for spending reserve funds in general accounts, which shall apply mutatis mutandis.

(3) The reason for the commitment to assume Treasury obligations is required shall be clearly stated for each case, and the year during which related action shall be taken, the year of repayment, and the amount of the obligation borne shall be also stated.

Article 26 (Preparation of gender-sensitive budget) (1) The Government shall prepare a report on analysis conducted in advance of the impact that the budget is likely to have on females and males, alike (hereinafter referred to as "gender-sensitive budget").

(2) The gender-sensitive budget shall include the expected effects of gender equality, performance objectives, benefit analysis by gender, etc. <Added on May 17, 2010>

(3) Detailed matters concerning preparation of the gender-sensitive budget shall be prescribed by Presidential Decree. <Amended on May 17, 2010>

Article 27 (Preparation of greenhouse gas reduction based budget) (1) The Government shall prepare a report on the preliminary analysis of the impact of the budget on greenhouse gas reduction (hereinafter referred to as "greenhouse gas reduction-sensitive budget").

(2) The greenhouse gas reduction-sensitive budget shall include the expected effects, performance objectives, effect analysis, etc. regarding greenhouse gas reduction.

(3) Details regarding the preparation of a greenhouse gas reduction-sensitive budget shall be prescribed by Presidential Decree.

[This Article Added on Jun. 15, 2021]

SECTION 2 Formulation of Budget Bills

Article 28 (Submission of medium-term project plan) The head of each central government agency shall submit to the Minister of Planning and Budget a medium-term project plan covering new projects that shall be executed over 5 fiscal years beginning with the current fiscal year or longer and the major continuing projects determined by the Minister of Planning and Budget by January 31 of each year. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

Article 29 (Notice of guidelines for formulation of budget bill) (1) The Minister of Planning and Budget shall notify the head of each central government agency of the guidelines for formulation of a budget bill for the following year, subject to prior deliberation by the State Council and approval of the President, by no later than March 31 of each year. <Amended on Feb. 29, 2008; Jan. 1, 2014; Oct. 1, 2025>

(2) The Minister of Planning and Budget may include the ceilings on the expenditure of each central government agency in the notice of the guidelines for formulation of the budget Bill under paragraph (1), in order to ensure compatibility between the national financial management plan under Article 7 and formulation of the budget. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 30 (Report to National Assembly on guidelines for formulation of budget bills) The Minister of Planning and Budget shall report to the Special Committee on Budget and Accounts of the National Assembly the guidelines for formulation of the budget Bill notified to the head of each central government agency in accordance with Article 29(1) by March 31 of every year. <Amended on Feb. 29, 2008; Oct. 1, 2025; Feb. 10, 2026>

Article 31 (Submission of budget requests) (1) The head of each central government agency shall, in compliance with the guidelines for formulation of the budget Bills under Article 29,

prepare a request for the revenue and expenditure budgets, continuing expenditure, specified carryover funds, and contractual acts that result in burdening the National Treasury with liabilities under his or her jurisdiction (hereinafter referred to as "budget request") for the following year, and submit it to the Minister of Planning and Budget by no later than May 31 of each year. <Amended on Feb. 29, 2008; Jan. 1, 2014; Oct. 1, 2025>

(2) Each budget request shall be accompanied by documents necessary for formulation of budget and application of the budget management process, as prescribed by Presidential Decree. <Amended on Jun. 9, 2020>

(3) If a budget request submitted in accordance with paragraph (1) does not conform to the guidelines for formulation of budget Bills prescribed in Article 29, the Minister of Planning and Budget may request modification or supplementation thereof within a prescribed time period. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 32 (Formulation of budget bills) The Minister of Planning and Budget shall formulate the budget Bill in accordance with the budget requests submitted under Article 31 (1), and shall obtain approval of the President after undergoing deliberation by the State Council. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 33 (Submission of budget bills to National Assembly) The Government shall submit budget Bills approved by the President under Article 32, to the National Assembly no later than 120 days before the commencement of the fiscal year. <Amended on May 28, 2013>

Article 34 (Documents accompanying budget bills) Each budget Bill to be submitted to the National Assembly in accordance with Article 33 shall be accompanied by the following documents: <Amended on Mar. 30, 2011; Mar. 21, 2012; Jan. 1, 2013; Jan. 1, 2014; Dec. 26, 2017; Apr. 23, 2019; Jun. 9, 2020; Jun. 15, 2021; Dec. 21, 2021; Feb. 10, 2026>

1. The gross and net accounts of revenue and expenditure budgets;
2. An explanatory statement on the revenue and expenditure budgets by each project;
- 2-2. A report on the estimation and analysis of the revenue budget (including the method and basis of the estimation of the revenue, the assessment and analysis of the cause of difference in terms of the total amount and each tax item between the revenue budget and the settlement of the revenue for the previous year, and the improvements in the estimation of the revenue);

3. With respect to continuing expenditures, a statement on the payments or estimated payments until the end of the preceding year, predetermined payments to be disbursed after the relevant year, overall project plan and detailed status of progress thereof;
- 3-2. The overview of each project subject to control of the total project cost under Article 50, the details of increase or decrease in the total project cost compared to that of the preceding year and the reasons for the increase or decrease, the amount of annual installments until the pertinent year, and the estimated amount of expenditure for the years subsequent to the pertinent year;
4. An explanatory statement on contractual acts that result in burdening the National Treasury with liabilities;
5. With respect to the contractual acts that result in burdening the National Treasury with liabilities to be executed consecutively over the subsequent years, a statement on the payments or the estimated payments until the end of the preceding year and predetermined payments to be disbursed after the relevant year;
- 5-2. The total amount of contractual acts that result in burdening the National Treasury with liabilities for large-scale projects specified by Presidential Decree, among projects that take at least two years for completion;
6. Appendix of budgetary employment ceilings and unit base prices for formulation of the budget Bill;
7. A statement on the present value of the State-owned property as at the end of the year before the preceding year, and on its estimated present values as at the end of the preceding year and of relevant year;
8. The performance plan prescribed in Article 85-7;
9. The gender-sensitive budget;
- 9-2. The greenhouse gas reduction-sensitive budget;
10. The tax expenditure budget prescribed in Article 142-2 of the Restriction of Special Taxation Act;
11. When the Government intends to reduce the amount requested by an independent government body or the Board of Audit and Inspection in accordance with Article 40(2) or 41, a statement on opinions regarding the size of and reasons for such reduction, and the amount thereof from the relevant body or board;

12. Deleted; < May 17, 2010 >
13. The statements on transfers of surplus financial resources between an account and a fund or between accounts, and other documents that clarify the financial status and the contents of the budget Bill;
14. The expenditure budget for special cases of the State property pursuant to Article 10(1) of the Act on Regulation of Special Cases of State Property;
15. Details of projects for which no preliminary feasibility survey has been conducted in accordance with Article 38(2) and the reasons for the omission of such survey, including total project cost, project duration, expenditure budget, and other matters prescribed by Presidential Decree;
16. Estimation of total corresponding expenses of local governments to be incurred for each field according to the budget bill for projects subsidized by the National Treasury.

Article 35 (Revision to budget bill pending in National Assembly) The Government may, if it intends to revise, modify, or correct part of the contents of the budget Bill already submitted to the National Assembly due to any unavoidable cause, submit a revised budget Bill to the National Assembly as approved by the President, after undergoing deliberation by the State Council.

Article 36 (Omission of documents accompanying budget bill) Where the Government submits a revised budget Bill prescribed in Article 35 or a supplementary revised budget Bill prescribed in Article 89 to the National Assembly after formulating them, some of the accompanying documents specified in each subparagraph of Article 34 may be omitted; provided, where the submission of a performance plan formulated under Article 85-7 is omitted, such plan shall be submitted ex post facto. <Amended on May 27, 2009; Dec. 21, 2021 >

Article 37 (Lump-sum allocation) (1) If it is difficult to predetermine the details of the projects prescribed by Presidential Decree, the Minister of Planning and Budget may appropriate the budget for the projects in lump sum. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025 >

(2) The overall size of the projects for which the budget is allocated in lump sum in accordance with the provisions of paragraph (1) shall not exceed the ratio prescribed by Presidential Decree based on the net total budget for each fiscal year. <Amended on Jun.

9, 2020>

(3) As regards projects for which the budget is allocated in lump sum under paragraph (1), the head of each central government agency shall prepare a detailed project execution plan for budget appropriation for consultation with the Minister of Planning and Budget before such budget allocation is initiated, and shall submit a detailed report on the results of execution thereof to the Minister of Planning and Budget within 3 months after the end of the current fiscal year. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(4) The head of each central government agency shall submit to the Special Committee on Budget and Accounts of the National Assembly a detailed project execution plan and a detailed report on the results of execution thereof for the projects for which the budget is allocated in a lump sum in accordance with paragraph (3).

Article 38 (Preliminary feasibility surveys) (1) In order to formulate a budget for any of the following large-scale projects, among new projects, the total project cost of which is at least 50 billion won, at least 30 billion won of which is to be subsidized by the State, the Minister of Planning and Budget shall conduct a preliminary feasibility survey in advance, make a summary report on the findings from the survey, and present the report to the competent Standing Committee and the Special Committee on Budget and Accounts of the National Assembly; provided, the projects prescribed in subparagraph 4 shall be limited to new projects that require at least 50 billion won of Treasury expenditure under the medium-term project plan submitted in accordance with Article 28: <Amended on Feb. 29, 2008; May 17, 2010; Jan. 1, 2014; Jun. 9, 2020; Oct. 1, 2025; Feb. 10, 2026>

1. A project that includes construction works; provided, projects that include construction works of facilities essential for the execution of research and development, among infrastructure-development type research and development projects under Article 12-3(1) of the Framework Act on Science and Technology shall be excluded;
2. An informatization project prescribed in Article 14(1) of the Framework Act on Intelligent Informatization;
3. Deleted; <Feb. 10, 2026>
4. Other projects which are not national R&D projects under Article 11 of the Framework Act on Science and Technology Framework, including projects for social welfare, health, education, labor relations, culture, tourism, environmental protection, agriculture, forestry, and maritime affairs, industries, or medium and small businesses.

(2) Notwithstanding paragraph (1), any of the following projects shall be excluded from the projects subject to a preliminary feasibility survey in accordance with the procedure prescribed by Presidential Decree: <Added on Jan. 1, 2014; Mar. 31, 2020; Jun. 9, 2020; May 16, 2023>

1. A project for the construction or extension of a public office building, a correctional facility, or an elementary or secondary educational facility;
2. A national heritage restoration project under Article 3 of the Framework Act on National Heritage;
3. A project related to the national security or the national defense that requires confidentiality;
4. A project related to inter-Korean exchange and cooperation or implemented under an agreement or treaty between states;
5. A project for simple improvement, maintenance and repair of existing facilities to enhance their usefulness, such as maintenance and repair of roads, improvement of old water supply facilities, etc.;
6. A project urgently required for assisting people in the recovery from a disaster under subparagraph 1 of Article 3 of the Framework Act on the Management of Disasters and Safety (hereinafter referred to as "disaster"), securing safety of facilities, or taking measures for health, or food safety issues;
7. A project approved by the competent Standing Committee of the National Assembly and needs to be implemented urgently for the prevention of disasters;
8. A project that needs to be implemented in accordance with statutes and regulations;
9. A project where a preliminary feasibility survey is of no practical use, such as a project implemented with a subsidy or loan for personnel expense or operating expense of a funded or subsidized institution;
10. A project that meets both of the following requirements, among projects that need to be implemented under national policies for the balanced development of regions, urgent response to an economic or social situation, etc. (with regard to projects that have not passed the preliminary feasibility survey due to lack of economic efficiency before, the foregoing applies only if the economic and social conditions related to the project have changed due to the implementation of a connected project, the development of the surrounding area, etc. or if the project has been re-planned to reflect the results of the

preliminary feasibility survey). In such cases, the details of the project exempted from a preliminary feasibility survey and the reasons for the exemption shall be reported to the competent Standing Committee of the National Assembly without delay:

- a. A project with a specific project plan formulated with regard to the purposes and scale of the project, a plan for implementation, etc.;
- b. A project finally approved by the State Council as a project that needs to be implemented under national policies.

(3) Projects subject to preliminary feasibility studies in accordance with paragraph (1) may be selected by the Minister of Planning and Budget upon receipt of an application from the head of a central government agency or at the discretion of the Minister of Planning and Budget. <Amended on Feb. 29, 2008; Jan. 1, 2014; Oct. 1, 2025>

(4) The Minister of Planning and Budget shall conduct a preliminary feasibility study on the project upon request of the National Assembly by its resolution. <Amended on Feb. 29, 2008; Jan. 1, 2014; Oct. 1, 2025>

(5) For the projects exempted from a preliminary feasibility study in accordance with paragraph (2)¹⁰, the Minister of Planning and Budget shall review the adequacy of the project plan, based on the methods of the preliminary feasibility study, through analyzing efficient alternatives taking into account the mid- and long-term financial requirements of the project, financing schemes, costs, benefits, etc., and reflect the results thereof in the compilation of budgets. <Added on Mar. 31, 2020; Oct. 1, 2025>

(6) The Minister of Planning and Budget shall prepare guidelines for the criteria for selection of projects subject to the preliminary feasibility study under paragraph (1), institutions to conduct the survey, and methods and procedures for the survey, such as economic, policy, and regional balanced development analyses, shall notify the head of each central government agency thereof. <Amended on Feb. 29, 2008; Jan. 1, 2014; Mar. 31, 2020; Oct. 1, 2025; Feb. 10, 2026>

Article 38-2 (Disclosure of data related to findings of preliminary feasibility surveys) The

Minister of Planning and Budget may request a specialized institution that performs the business affairs under Article 8-2(1)¹ to conduct a preliminary feasibility study under Article 38(1), and the head of a specialized institution in receipt of a request to conduct a preliminary feasibility study shall disclose data about the findings from the preliminary feasibility study, including data about demand forecasting, in accordance with Article 7 of

the Official Information Disclosure Act. <Amended on Dec. 21, 2021; Oct. 1, 2025>
 [This Article Added on Jan. 1, 2014]

Article 38-3 Deleted. <Feb. 10, 2026>

Article 39 (Budget formulation for large-scale development projects) (1) As regards large-scale development projects prescribed by Presidential Decree, the head of each central government agency shall include all or some of costs and expenses required for one of its stages in order of feasibility survey, basic plan, working plans, compensation (excluding compensation for an area submerged under water by dam construction or compensation for damages and losses to fishery rights or aquaculture rights surviving after completion of a construction project) in its budget request for the current year; provided, it is allowed to request the budget for two or more stages simultaneously for the project, if the Minister of Planning and Budget deems it unavoidable to promote the project efficiently on the grounds that it is possible to use the facilities after partial completion, etc. <Amended on Feb. 29, 2008; Aug. 27, 2019; Jun. 9, 2020; Oct. 1, 2025>

(2) With respect to the large-scale development projects under paragraph (1), the Minister of Planning and Budget shall formulate the budget Bill required for the current year by stage according to the request under that paragraph. In such cases, where the detailed design for the entire work process has been completed for any of the following projects and the total project cost is finally fixed, the cost of such project shall be included in the budget Bull as continuing expenditure to prevent any delay in the project: <Amended on Feb. 29, 2008; Mar. 21, 2012; Oct. 1, 2025>

1. A project essential for establishing the national main transportation network;
2. A project urgently required for the recovery from a disaster;
3. A project where any delay in the progress of work is likely to add a great financial burden;
4. A project urgently required for citizens' benefit or in light of the nature or effects of the project.

(3) Notwithstanding the latter part of paragraph (2), the Minister of Planning and Budget may choose not to include the cost of a large-scale development project as continuing expenditure in the budget Bill, if he or she deems it necessary in light of the financial situation, nature, period and scale of the project, etc., but further details of the criteria and

procedure, therefor and other relevant matters shall be prescribed by Presidential Decree.

<Added on Mar. 21, 2012; Oct. 1, 2025>

[This Article Wholly Amended on Mar. 21, 2012]

Article 40 (Budget for independent government bodies) (1) In formulating the budget for an independent government body, the Government shall respect the opinion of the head of the independent government body as much as possible, and shall consult with the head of the independent government body in advance when necessary to make an adjustment according to the financial situation of the State. <Amended on Jun. 9, 2020>

(2) Notwithstanding the consultation held under the provisions of paragraph (1), the Government shall, when it intends to reduce the amount demanded by an independent government body for its expenditure budget, hear the opinion of the independent government body during a meeting of the State Council, and the Government shall submit to the National Assembly the opinion of the head of the independent government body on the size of and reasons for reduction, and the reduction itself, when it reduces the expenditure budget demanded by the independent government body. <Amended on Jun. 9, 2020>

Article 41 (Budget of board of audit and inspection) The Government shall, when it intends to reduce the expenditure budget demanded by the Board of Audit and Inspection, seek the opinion of the Chairperson of the Board of Audit and Inspection during a meeting of the State Council. <Amended on Jun. 9, 2020>

SECTION 3 Budget Execution

Article 42 (Submission of budget allocation request) The head of each central government agency shall, after the budget is finally fixed, submit to the Minister of Planning and Budget an activity management plan and a budget allocation request containing revenue and expenditure budgets, continuing expenditures, and commitments to assume Treasury obligations according to such plan. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 43 (Budget allocation) (1) The Minister of Planning and Budget shall prepare a quarterly budget allocation plan based on the budget allocation request written under Article 42 for deliberation by the State Council and approval of the President. <Amended

on Feb. 29, 2008; Oct. 1, 2025>

(2) The Minister of Planning and Budget shall, when allocating the budget to the head of each central government agency, notify the Minister of Finance and Economy and the Board of Audit and Inspection thereof. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(3) The Minister of Planning and Budget may, if necessary, allocate the budget before the commencement of a fiscal year, as prescribed by Presidential Decree. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

(4) The Minister of Planning and Budget may, where necessary for efficient control over budget execution, review an individual project plan and allocate the budget according to the results of the review, notwithstanding the quarterly budget allocation plan under paragraph (1). <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

(5) The Minister of Planning and Budget may, where necessary for proper management of financial balance of revenue and expenditure, efficient control of execution of budgetary activities, etc., adjust the quarterly budget allocation plan formulated under paragraph (1), withhold the allocation of a budget, or take measures to withhold the execution of any budget allocated. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 43-2 (Reallocation of budget) (1) When the head of a central government agency intends to have a finance officer under Article 22(1) of the Management of the National Funds Act incur an encumbrance, he or she shall prepare a plan for reallocating the expenditure budget for each treasurer within the scope of the expenditure budget allocated in accordance with Article 43 and reallocate the expenditure budget accordingly (referring to the reallocation of the budget allocated by the Minister of Planning and Budget to the heads of each central government agency by the head of each central government agency for each financial officer; hereinafter the same shall apply). <Amended on Oct. 1, 2025>

(2) Where the head of a central government agency deems it necessary for the execution of the budget, he or she may amend the plan for reallocating the expenditure budget prepared pursuant to paragraph (1) and reallocate the expenditure budget accordingly.

(3) When the head of a central government agency reallocates the expenditure budget in accordance with paragraphs (1) and (2), he or she shall notify the expenditure officer under Article 22(1) of the Management of the National Funds Act, the Minister of Finance and Economy, and the Minister of Planning and Budget thereof. <Amended on Oct. 1, 2025>

(4) If the head of a central government agency intends to reallocate the expenditure budget pursuant to paragraphs (1) and (2), he or she may require the Korea Fiscal Information Service established under the Korea Fiscal Information Service Act to perform such reallocation on his or her behalf, as prescribed by Presidential Decree.

[This Article Added on Dec. 21, 2021]

Article 44 (Notice of guidelines for budget execution) The Minister of Planning and Budget shall prepare budget execution guidelines each year to enhance the efficiency in budget execution, and notify the head of each central government agency thereof. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 45 (Prohibition of use of budget for any purpose other than prescribed purpose) No head of any central government agency shall use any expenditure budget for any purpose other than that prescribed by the budget.

Article 46 (Re-appropriation of budget) (1) Within the intended purpose of the budget, the head of each central government agency may, re-appropriate an amount in any subparagraph or item to any other purpose with the approval of the Minister of Planning and Budget, as prescribed by Presidential Decree, to efficiently utilize financial resources. In such cases, comprehensive consideration shall be given to whether there is any overlap between activities, whether such funds are urgently required as funds for countermeasures against disasters and calamities, whether such financial resources are required to appropriate for expenses for operating the agency, etc. <Amended on Feb. 29, 2008; Dec. 30, 2014; Jun. 9, 2020; Oct. 1, 2025>

(2) Notwithstanding paragraph (1), the head of each central governmental agency may, at his or her discretion, re-appropriate the amount in any subparagraph or item within the extent authorized by the Minister of Planning and Budget each fiscal year. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

(3) Notwithstanding paragraphs (1) and (2), any head of a central government agency may not re-appropriate any budgetary amount for other purpose in any of the following circumstances: <Added on Dec. 30, 2014>

1. Where he or she implements a project, the fund for which is not appropriated in the original budget;

2. Where he or she executes the project budget inconsistently with the intent of the resolution passed by the National Assembly.

(4) Upon granting approval of re-appropriation in accordance with paragraph (1), the Minister of Planning and Budget shall send a detailed statement of such re-appropriation to the head of a relevant central government agency, the Minister of Finance and Economy, and the Board of Audit and Inspection respectively. Where the head of each central government agency re-appropriates the budget amount in accordance with paragraph (2), he or she shall send a detailed statement that specifies the amount re-appropriated or respective items and the grounds therefor, to the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection, respectively. <Amended on Feb. 29, 2008; Dec. 30, 2014; Oct. 1, 2025>

(5) Where the head of each central government agency re-appropriates the budget amount as prescribed in paragraph (1) or (2), he or she shall submit the details of such re-appropriation to the competent standing committee and the Special Committee on Budget and Accounts of the National Assembly by the end of the month immediately following the month in which a date on which a quarter expires falls, in each quarter. <Added on Mar. 18, 2009; Dec. 30, 2014>

(6) The amount of expenses re-appropriated under paragraph (1) or (2) shall, along with the grounds therefor, be clearly stated in the report on the settlement of the revenue and expenditure budgets. <Amended on Mar. 18, 2009; Dec. 20, 2014>

Article 47 (Transferred use and transfer of budget) (1) No head of any central government agency shall transfer the budget already appropriated for an institution, or in a chapter, section, or paragraph to another institution, chapter, section, or paragraph for use; provided, such transferred use may, only in any of the following cases, be permitted with the approval of the Minister of Planning and Budget or within the extent authorized by the Minister of Planning and Budget, where it was approved in advance as part of the budget by a resolution of the National Assembly: <Amended on Feb. 29, 2008; Dec. 30, 2014; Oct. 1, 2025>

1. Where any deficiency is incurred in expenses for fulfilling the obligation of payment arising under any Act or subordinate statute, or expenses essential for operating the agency;

2. Where any unpredictable and inevitable circumstance occurs, such as fluctuation of foreign exchange rate or oil prices;
3. Where urgency to use such part of the budget as financial resources for disaster measures, etc. arises;
4. Other cases prescribed by Presidential Decree.

(2) Where any change occurs in duties and power of a central government agency as a result of the enactment, amendment, or repeal of any statute concerning government organization, etc., the Minister of Planning and Budget may allow transferred use, or make a transfer, of the budget between agencies upon the request of the head of the central government agency. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(3) Where the head of each central government agency has transferred the budget for use at his or her discretion in accordance with paragraph (1), he or she shall notify the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection thereof, respectively. Where the Minister of Planning and Budget approves a transferred use in accordance with paragraph (1), or allows transferred use, or makes such transfer in accordance with paragraph (2), he or she shall notify the head of the relevant central government agency and the Minister of Finance and Economy and the Board of Audit and Inspection thereof, respectively. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(4) Where the head of each central government agency has made use of or made a transfer of the budget under paragraph (1) or (2), he or she shall submit the details of such use or transfer to the competent standing committees and the Special Committee on Budget and Accounts of the National Assembly no later than the end of the month immediately following the month in which a date on which a quarter expires falls, in each quarter. <Added on Mar. 18, 2009>

Article 48 (Carryover of expenditure budget) (1) The expenditure budget for each fiscal year may not be carried over for spending during the following fiscal year.

(2) Notwithstanding paragraph (1), the amount of an expense specified in any of the following subparagraphs may be carried over for spending during the following fiscal year. In such cases, the amount carried-over may not be spent for any purpose other than the intended purpose, and the amount of an expense specified in subparagraph 2 may not be carried over any further: <Amended on Jun. 9, 2020>

1. A specified carryover fund;
2. An expense for which an act of incurring expenditure took place in the current year, but the disbursement thereof has not been made during that year due to an unavoidable cause or reason, and the expenses incidental thereto for which no act of incurring expenditure took place;
3. An expense prescribed by Presidential Decree for which a public bid notice was made in order to initiate an act of incurring an expenditure, but it takes a long time until the act of incurring the expenditure takes place after the public bid notice;
4. An expense prescribed by Presidential Decree as necessary for compensation for losses in execution of a public benefit activity;
5. An ordinary expense prescribed by Presidential Decree.

(3) Notwithstanding paragraph (1), the amount not disbursed during the current year out of the annual installments of continuing expenditure for the year may be carried over and spent subsequently until the year for completion of the project subject to such continuing expenditure. <Amended on Jun. 9, 2020>

(4) The head of each central government agency shall, when carrying over some of the budget in accordance with paragraphs (2) and (3), prepare a carryover statement, as prescribed by Presidential Decree, and shall submit it to the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection, respectively, by January 31 of the following year. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

(5) The amount for each item carried over by the head of a central government agency in accordance with the provisions of paragraphs (2) and (3) shall be deemed to have been allocated as budget carried over to the following year.

(6) When a surplus fund accrues as a result of the settlement of the revenue and expenditure budgets for each fiscal year, the amount equivalent to the amount of the expenditure budget carried over pursuant to the provisions of paragraphs (2) and (3) shall be transferred first, among other things, to the revenue for the following year.

(7) The Minister of Planning and Budget may take measures, if deemed necessary in consideration of the state of collection of revenue, etc., to restrict the carried-over spending of the expenditure budget under paragraphs (2) and (3). <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

- Article 49 (Payment of budgetary incentive)** (1) If the revenue has increased or the expenditure has been curtailed due to improvement of the method or system for budget execution or otherwise, the head of the central government agency involved may provide an incentive to the person who has contributed to such achievement, and may spend the budget saved for any other activity or project.
- (2) The head of each central government agency shall, when he or she intends to pay an incentive or spend the budget saved pursuant to the provisions of paragraph (1), refer the matter to the examination committee on budgetary incentives for examination.
- (3) Necessary matters concerning payment of such incentives, spending of the budget saved on another project or activity, organization and management of the examination committee on budgetary incentives, etc. in accordance with the provisions of paragraphs (1) and (2) shall be prescribed by Presidential Decree.

- Article 50 (Control of total project costs)** (3) Where the head of each central government agency has transferred the budget for use at his or her discretion in accordance with paragraph (1), he or she shall notify the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection thereof, respectively. Where the Minister of Planning and Budget approves a transferred use in accordance with paragraph (1), or allows transferred use, or makes such transfer in accordance with paragraph (2), he or she shall notify the head of the relevant central government agency and the Minister of Finance and Economy and the Board of Audit and Inspection thereof, respectively. <Amended on Feb. 29, 2008; Oct. 1, 2025>
- (2) Among the projects under paragraph (1), any of the following projects and projects requested by the Board of Audit and Inspection based on the audit findings, the Minister of Planning and Budget shall conduct a review of the feasibility of the project (hereinafter referred to as "feasibility review") and report results of the review to the National Assembly: <Amended on Feb. 29, 2008; Mar. 18, 2009; Jan. 1, 2014; Mar. 31, 2020; Oct. 1, 2025>
1. A project, for which a preliminary feasibility study has not been conducted because the scale of its total project costs and the State's financial support for it fell short of the scale subject to a preliminary feasibility study, but the scale of the total project expenses and the State's financial support has increased to the scale subject to a preliminary feasibility study in the course of its implementation;

2. A project that has been promoted without undergoing a preliminary feasibility survey, although it falls within the projects subject to a preliminary feasibility survey, because the project cost was reflected in the budget;
3. A project whose total project cost has increased over the scale prescribed by Presidential Decree;
4. A project for which the estimated demands have decreased by at least the scale prescribed by Presidential Decree due to changes in conditions of the project, etc.;
5. Other projects whose feasibility needs to go through an assessment because budget for those projects could be wasted, etc.

(3) Notwithstanding paragraph (2), the feasibility review may be omitted in any of the following cases: <Added on Mar. 31, 2020>

1. Where considerable part of the project has already been built and the sunk cost accounts for a large portion;
2. Where the feasibility review has no practical benefit, because the primary cause of the increase in total project cost is due to the incorporation of legal expenses, alteration of higher-level plans, etc.;
3. Where the project is promoted for balanced development of regions or for addressing urgent economic and social conditions;
4. Where the project needs to be implemented urgently to prevent disasters, to support recovery, for safety issues, etc.

(4) The Minister of Planning and Budget shall conduct a feasibility review of a project requested by the National Assembly by its resolution, and report results of the review to the National Assembly. <Amended on Feb. 29, 2008; Mar. 18, 2009; Jan. 1, 2014; Mar. 31, 2020; Oct. 1, 2025>

(5) The Minister of Planning and Budget shall prepare guidelines for management of total project costs, and shall notify the head of each central government agency thereof. <Amended on Feb. 29, 2008; Mar. 31, 2020; Oct. 1, 2025>

Article 50-2 (Disclosure of data about results of feasibility review) (4) Upon granting approval of re-appropriation in accordance with paragraph (1), the Minister of Planning and Budget shall send a detailed statement of such re-appropriation to the head of a relevant central government agency, the Minister of Finance and Economy, and the Board of Audit and Inspection respectively. Where the head of each central government agency re-

appropriates the budget amount in accordance with paragraph (2), he or she shall send a detailed statement that specifies the amount re-appropriated or respective items and the grounds therefor, to the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection, respectively. <Amended on Feb. 29, 2008; Dec. 30, 2014; Oct. 1, 2025>

[This Article Added on Jan. 1, 2014]

Article 51 (Management and use of reserve funds) (1) The reserve fund shall be managed under the jurisdiction of the Minister of Planning and Budget. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(2) Where the head of each central government agency needs to spend the reserve fund and meets all of the following requirements, he or she shall prepare a statement that clearly describes the reasons for such spending, the explanation regarding the requirements specified in each of the following subparagraphs, the amount thereof, and the basis of estimation and submit it to the Minister of Planning and Budget; provided, where necessary for prompt recovery from damage caused by a large-scale disaster, he or she may approximately estimate the amount required for the emergency relief, emergency rescue, and restoration, based on the damage status report under Article 20 of the Framework Act on the Management of Disasters and Safety, and apply for such reserve fund: <Amended on Feb. 29, 2008; Dec. 30, 2014; Oct. 1, 2025; Feb. 10, 2026>

1. It was impossible to predict when formulating the budget for that fiscal year;
2. There is an urgent need for expenditure during the relevant fiscal year;
3. It is difficult to cover the expenditure with the previously appropriated budget;
4. It can be executed within the relevant fiscal year.

(3) If deemed necessary as a result of examining an application for the reserve fund under paragraph (2), the Minister of Planning and Budget shall make any adjustment and shall prepare a statement on the reserve fund spending plan for deliberation by the State Council and approval of the President. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(4) The head of each central government agency shall submit to the competent Standing Committees and the Special Committee on Budget and Accounts of the National Assembly a statement on the reserve fund spending plan approved by the President in accordance with paragraph (3), by the end of the month immediately following the month in which a date on which a quarter expires falls, in each quarter. <Added on Feb. 10, 2026>

(5) Any special account transferred from the general accounts may, if necessary, have the reserve fund of general accounts transferred for the expenditure of the special account. <Amended on Feb. 10, 2026>

Article 52 (Preparation of reserve funds spending statement and submission thereof to

National Assembly) (1) The head of each central government agency shall prepare a statement on the amount spent out of the reserve funds, and shall submit such statement to the Minister of Planning and Budget by no later than the end of February of the following year. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(2) The Minister of Finance and Economy shall prepare a comprehensive statement on the amount spent out of the reserve fund according to the statements submitted in accordance with paragraph (1), and submit such statement to the State Council for deliberation and then to the President for approval. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(3) The Minister of Finance and Economy shall submit to the Board of Audit and Inspection the comprehensive statement approved by the President in accordance with paragraph (2). <Amended on Feb. 29, 2008; Oct. 1, 2025>

(4) The Government shall submit to the National Assembly for approval, a comprehensive statement on the amount spent out of the reserve funds by no later than May 31 of the following year.

Article 53 (Exception to principle of comprehensiveness of budget) (1) With respect to

expenses related to revenue generated from the provision of service or facility, which exceed or are expected to exceed the budget (hereinafter referred to as "revenue substitution expenses") and are prescribed by Presidential Decree, the excess revenue may be expended for the expenses directly related to the excess revenue and the expenses incidental thereto exceeding the budget pursuant to Presidential Decree. <Amended on Jun. 9, 2020>

(2) The State's investment in kind and provision of loans by obtaining a loan from a foreign lender may be treated as activities independent of the revenue and expenditure budgets.

(3) Where an in-kind loan financed with a loan from a foreign lender is involved, if the revenue therefrom exceeds the revenue budget due to an unavoidable carryover of

expenditure expected to be disbursed during the preceding year or due to fluctuations in applicable foreign exchange rates or interest rates, the expenditure may be disbursed in excess of the expenditure budget.

(4) When a loan borrowed from a foreign lender for relending is repaid, if the repayment of the principal and interest exceeds the expenditure budget due to fluctuations in applicable foreign exchange rates or interest rates or early repayment before maturity, the repayment of such loan may exceed the expenditure budget to the extent of such excess.

(5) Deleted. <Jan. 1, 2014>

(6) Necessary matters regarding exceptions to the principle of comprehensiveness of budget, including revenue substitution expenses, shall be prescribed by Presidential Decree.

Article 54 (Management of subsidies) The head of each central government agency shall submit the results of granting the national treasury subsidies to local governments and the private sector, and results of executing the subsidies of the relevant subsidized entity to the Minister of Planning and Budget, the competent Standing Committees and the Special Committee on Budget and Accounts of the National Assembly, respectively. <Amended on Oct. 1, 2025>

[This Article Wholly Amended on May 17, 2010]

Article 55 (Budget execution with budget resolution pending) (1) The Government shall execute the budget in compliance with Article 54(3) of the Constitution of the Republic of Korea, if the National Assembly fails to adopt a resolution on a budget Bill due to any unavoidable cause before and until the current fiscal year commences.

(2) The budget executed in accordance with the provisions of paragraph (1) shall, when the budget for the current year is finally resolved, be deemed to have been executed in accordance with the budget finally resolved. <Amended on Jun. 9, 2020>

Article 55-2 (Re-estimation and reporting of revenue budget) (1) The Minister of Finance and Economy shall re-estimate the revenue budget for the current year every September.

(2) The Minister of Finance and Economy shall, without delay, submit to the competent Standing Committees and the Special Committee on Budget and Accounts of the National Assembly the analysis report on the re-estimated revenue budget conducted in accordance with paragraph (1). In such cases, the analysis report shall include the estimation method

and its basis, and the assessment and analysis of the cause of difference in the total amount and by tax item between the revenue budget and the results of re-estimation.
[This Article Added on Feb. 10, 2026]

CHAPTER III SETTLEMENT OF ACCOUNTS

Article 56 (Principle for settlement of accounts) The Government shall ensure that the settlement of accounts is processed fairly in accordance with objective data and evidence so that it can provide useful and adequate information about finance in accordance with the National Accounting Act. <Amended on Dec. 31, 2008>

Article 57 (Preparation of gender-sensitive settlement of accounts) (1) The Government shall prepare a statement to evaluate whether females and males have equally benefited from the budget and whether the budget has been executed towards addressing gender discrimination (hereinafter referred to as "gender-sensitive settlement of accounts").
(2) The gender-sensitive settlement of accounts shall include results of execution, effect analysis and evaluation of gender equality, etc. <Added on May 17, 2010>

Article 57-2 (Preparation of settlement statement of accounts of greenhouse gas reduction based budget) (1) The Government shall prepare a report to evaluate whether the budget has been executed in the direction of reducing greenhouse gases (hereinafter referred to as "settlement statement of accounts of the greenhouse gas reduction-sensitive budget").
(2) The settlement statement of accounts of the greenhouse gas reduction-sensitive budget shall include the results of execution, effect analysis, and evaluation of greenhouse gas reduction.

[This Article Added on Jun. 15, 2021]

Article 58 (Preparation and submission of statement of accounts by central government agency) (1) The head of each central government agency shall submit a statement of accounts prepared for each fiscal year as prescribed by the National Accounting Act (hereinafter referred to as "statement of accounts of central government agency") to the Minister of Finance and Economy no later than the end of February of the following year.
<Amended on Dec. 31, 2008; Oct. 1, 2025>

(2) The Secretary General of the National Assembly, the Minister of Court Administration, the Secretary General of the Constitutional Court, and the Secretary General of the National Election Commission shall prepare a statement on the use of reserve funds for each fiscal year, and shall submit such statement to the Minister of Finance and Economy by no later than the end of February of the following year. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(3) Deleted. <Dec. 31, 2008>

(4) Deleted. <Dec. 31, 2008>

[Title Amended on Dec. 31, 2008]

Article 59 (Preparation and submission of national statement of accounts) The Minister of Finance and Economy shall submit a national statement of accounts prepared for each fiscal year as prescribed by the National Accounting Act and approved by the President to the Minister of Planning and Budget and the Board of Audit and Inspection, respectively, by April 10 of the following year. <Amended on Oct. 1, 2025>

[This Article Wholly Amended on Dec. 31, 2008]

Article 60 (Inspection of settlement of accounts) The Board of Audit and Inspection shall conduct an audit of the national statement of accounts submitted in accordance with Article 59, and shall send the statement to the Minister of Finance and Economy by May 20 of the following year. <Amended on Feb. 29, 2008; Dec. 31, 2008; Oct. 1, 2025>

Article 61 (Submission of national statement of accounts to National Assembly) The Government shall submit the national statement of accounts audited by the Board of Audit and Inspection pursuant to Article 60 to the National Assembly by May 31 of the following year. <Amended on Dec. 31, 2008>

[Title Amended on Dec. 31, 2008]

CHAPTER IV FUNDS

Article 62 (Principle of administration and management of funds) (1) Each fund managing entity shall administer and manage its funds to meet the purposes of the establishment of such funds and public interests.

(2) Deleted. <Dec. 31, 2008>

Article 63 (Principles of fund asset management) (1) Each fund managing entity shall manage the assets of a fund in a transparent and efficient manner, considering stability, liquidity, profitability and public benefits.

(2) Each fund managing entity shall manage the assets in compliance with the guidelines for asset management prepared in accordance with Article 79.

(3) No fund managing entity shall act as a general partner of an institutional private collective vehicle as defined in the Financial Investment Services and Capital Markets Act. <Amended on Dec. 31, 2008; Jul. 24, 2015; Apr. 20, 2021>

Article 64 (Principle for exercising voting rights) Each fund managing entity shall exercise in good faith its voting rights of the stocks held by the fund for the interests of the fund, and shall disclose to the public details about how such voting rights have been exercised.

Article 65 (Relationship to other statutes) The provisions of Article 66 through 68, 68-2, 68-3, and 69 through 72 shall apply to the preparation and submission of draft fund management plans, notwithstanding any express provisions to the contrary in any other Act; provided, the provisions concerning the deadline for submission prescribed in Article 66(5) and the former part of Article 68(1) shall not apply where a draft fund management plan is prepared during the current year due to the establishment of a new fund. <Amended on Dec. 31, 2008; May 17, 2010; Jun. 15, 2021>

Article 66 (Formulation of draft fund management plans) (1) Each fund managing entity shall submit to the Minister of Planning and Budget, no later than January 31 of each year, a medium-term plan for new projects during the period of five fiscal years from the current fiscal year and the major continuing projects determined by the Minister of Planning and Budget. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

(2) The Minister of Planning and Budget shall notify the fund managing entities of the guidelines for preparation of the draft fund management plan for the following year by March 31 of each year, as approved by the President, after consultation with the Advisory Council and deliberation thereon by the State Council. <Amended on Feb. 29, 2008; Dec. 31, 2008; Jan. 1, 2014; Oct. 1, 2025>

- (3) The Minister of Planning and Budget may include spending limits for each fund in the guidelines for preparation of the draft fund management plan that shall be notified under paragraph (2), in order to ensure compatibility between the national financial management plan under Article 7 and the fund management plan, as established. <Amended on Feb. 29, 2008; Oct. 1, 2025>
- (4) The Minister of Planning and Budget shall report to the Special Committee on Budget and Accounts of the National Assembly the guidelines for preparation of draft fund management plans as notified to the fund managing entities in accordance with paragraph (2) by March 31 of every year. <Amended on Feb. 29, 2008; Oct. 1, 2025; Feb. 10, 2026>
- (5) Each fund managing entity shall prepare a draft fund management plan for the following year in compliance with the guidelines for preparation of draft fund management plans notified under paragraph (2), and shall submit such plan to the Minister of Planning and Budget by no later than May 31 of each year. <Amended on Feb. 29, 2008; Jan. 1, 2014; Oct. 1, 2025>
- (6) The Minister of Planning and Budget shall prepare draft fund management plans through negotiations and adjustments with the fund managing entity on the draft fund management plan submitted in accordance with paragraph (5), subject to deliberation by the State Council and approval of the President. <Amended on Feb. 29, 2008; Oct. 1, 2025>
- (7) In terms of a fund that has managed excessive surplus financial resources (excluding pension funds that have a structural cause of such surplus), the Minister of Planning and Budget may, when adjusting the draft fund management plan in accordance with paragraph (6), discontinue budgetary support to the fund or request the fund managing entity to take measures to reduce the charge, etc. that serves as a revenue source of the fund. In such cases, if the fund managing entity is not the head of a central government agency, such action shall be taken through the head of the competent central government agency. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>
- (8) A fund managing entity set forth in paragraphs (1), (5), and (6) shall, if it is not the head of a central government agency, make the submission, consultation, etc. provided for in each of those paragraphs through the head of the competent central government agency. <Amended on Jun. 9, 2020>

Article 67 (Contents of draft fund management plans) (1) Each draft fund management plan shall consist of the general provisions for management and the fund management plan.

(2) The general provisions for management shall provide for the general matters concerning the business objectives of the fund, funding and management (including the limitations to acquisition of stock and real estate), and the acquisition of assets.

(3) Each fund management plan shall be divided into a revenue plan and an expenditure plan, and the revenue plan shall be further divided by type, while the expenditure plan shall be divided by type or project into main categories and subcategories. In such cases, the units of the main categories shall be classified by chapter, section, and paragraph, while the units of the subcategories shall be classified by subparagraph and item.

(4) Necessary matters concerning the preparation of draft fund management plans shall be prescribed by Presidential Decree.

Article 68 (Submission of draft fund management plans to National Assembly) (1) The Government shall submit to the National Assembly the draft fund management plan as prepared for each main category as prescribed in Article 67(3) by not later than 120 days before the commencement of each new fiscal year. In such cases, the ceilings for the issuance of State bonds and loans reflected in the draft fund management plan of the fund managed by the head of a central government agency shall be prescribed in the budgetary general provisions under Article 20. <Amended on May 28, 2013>

(2) Once the fund management plan is finally fixed, each fund managing entity shall prepare a monthly revenue and expenditure plan on the fund, and shall submit such plan to the Minister of Planning and Budget before the commencement of each fiscal year. <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 68-2 (Preparation of gender-sensitive fund management plans) (1) The Government shall prepare a report which analyzes in advance the effects of the fund on males and females (hereinafter referred to as "gender-sensitive fund management plan").

(2) The gender-sensitive fund management plan shall include the expected effects of gender equality, performance objectives, benefit analysis by gender, etc.

(3) Detailed matters concerning preparation of gender-sensitive fund management plans shall be prescribed by Presidential Decree.

[This Article Added on May 17, 2010]

Article 68-3 (Preparation of greenhouse gas reduction-sensitive fund management plan) (1)

The Government shall prepare a report on the preliminary analysis of the impact of the fund on greenhouse gas reduction (hereinafter referred to as "greenhouse gas reduction-sensitive fund management plan").

(2) The greenhouse gas responsive management plan shall include the expected effects, performance objectives, effect analysis, etc. regarding greenhouse gas reduction.

(3) Details regarding the preparation of a greenhouse gas reduction-sensitive fund management plans shall be prescribed by Presidential Decree.

[This Article Added on Jun. 15, 2021]

Article 69 (Consent to increase in amount) The National Assembly shall, when it intends to increase the amount of expenditure or establish a new item in a main category of the draft fund management plan submitted by the Government, obtain the Government's consent thereto in advance.

Article 70 (Revisions to fund management plans) (1) A fund managing entity may revise the amount of expenditure in each subcategory within the extent of the expenditure of the main categories in the expenditure plan, as prescribed by Presidential Decree. <Amended on Jun. 9, 2020>

(2) Each fund managing entity (or the head of the competent central government agency, if the fund managing entity is not the head of a central government agency) shall, when it intends to revise the amount of expenditure in a main category of the fund management plan, consult with the Minister of Planning and Budget for adjustment to prepare the draft revised fund management plan, subject to deliberation by the State Council and approval of the President, and submit it to the National Assembly for approval. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(3) Notwithstanding paragraph (2), an amount of expenditure in a main category may, if it falls under any of the following subparagraphs, be revised without necessarily submitting the draft revised fund management plan to the National Assembly, as prescribed by Presidential Decree: <Amended on Dec. 31, 2008; Jun. 9, 2020>

1. Where a fund, other than financial sector funds prescribed in the Appendix 3, is involved, if the extent of the revision to the amount of expenditure in the main category

does not exceed 2/10;

2. Where one of the financial sector funds prescribed in the Appendix 3 is involved, if the extent of the revision to the amount of expenditure of the main category does not exceed 3/10; provided, it shall not exceed 2/10 where the amount of expenditure in the main category falls within ordinary expenditure required for administration and management of the fund;
 3. The amount of mandatory expenditure as provided for in another Act;
 4. An amount of expenditure that falls under any of the following items:
 - a. The amount of expenditure appropriated for management of surplus fund in the fund management plan;
 - b. The amount of expenditure directly related to an excess revenue, where the revenue exceeds or is expected to exceed the estimated amount of revenue in the fund management plan;
 - c. The amount of expenditure for repayment of the principal and interest of a loan due to the fluctuations in exchange rates and interest rates, and prepayment;
 5. The debt service on the State bonds to replace existing State bonds with new State bonds;
 6. The debt service on the State bonds using excess tax revenue anticipated in the year concerned within the extent of the amount of State bonds already issued in the year concerned for the purpose of making up for lost revenue in the general account budget.
- (4) Each fund managing entity shall, when it revises an amount of expenditure in a subcategory or main category in accordance with paragraphs (1) through (3), submit a statement on the proposed revision to the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection, respectively, while the Government shall clearly state the details of and reasons for such revision in the national statement of accounts that shall be submitted to the National Assembly in accordance with Article 61. <Amended on Feb. 29, 2008; Dec. 31, 2008; Oct. 1, 2025>
- (5) When a fund managing entity has revised the amount of expenditure in accordance with paragraph (3)4c, and subparagraphs 5 and 6 of the same paragraph (limited to cases where the range of revision of the amount of expenditure in the main category exceeds 2/10), it shall submit the detailed statement of revision to the competent standing committee and the Special Committee on Budget and Accounts of the National Assembly.

In such cases, the detailed statement of revision shall include the results of State bond issuance and debt services. <Added on Dec. 31, 2008>

(6) Each fund managing entity shall, when it revised the amount of expenditure in a subcategory or main category in accordance with the provisions of paragraphs (1) through (3), submit details of such revision to the competent standing committees and the Special Committee on Budget and Accounts of the National Assembly no later than the end of the following month after a month to which a date on which a quarter expires belongs, in each quarter. <Added on Mar. 18, 2009>

(7) In terms of any pass-through agency prescribed in paragraphs (2) through (6), the provisions of Article 66(8) shall apply mutatis mutandis thereto. <Amended on Dec. 31, 2008; Mar. 18, 2009>

Article 71 (Documents accompanying draft fund management plans) If the Government or a fund managing entity submits to the National Assembly a draft fund management plan or a draft revised fund management plan (hereinafter referred to as "draft fund management plan, etc.") pursuant to Article 68(1) or 70(2), such plan shall be accompanied by the following documents; provided, any accompanying document already submitted may be omitted when submitting a draft revised fund management plan: <Amended on Dec. 31, 2008; May 17, 2010; Jan. 1, 2014; Jun. 15, 2021; Dec. 21, 2021>

1. The fundraising plan;
2. The estimated financial situation table and estimated financial operations table;
3. The gross and net accounts of the revenue and expenditure plan and the specifications by major category;
4. The performance plan prescribed in Article 85-7;
5. A statement on transfers of surplus financial resources between a fund and an account or between funds, and other documents that clearly show the details of the draft fund management plan, etc.;
6. The gender-sensitive fund management plan;
- 6-2. Scale of the greenhouse gas reduction-sensitive fund management plan;
7. The details of a project where no preliminary feasibility survey has been conducted in accordance with Article 38(2) (referring to the cases to which the aforesaid provisions shall apply mutatis mutandis pursuant to Article 85) and the reasons therefor.

[Title Amended on Dec. 31, 2008]

Article 72 (Carryover of spending activities) (1) No fund managing entity shall carry over any amount of expenditure for any fiscal year to spend the amount in the following year; provided, the amount for which the incurring expenditure was conducted during the year but has not been disbursed within the year due to any unavoidable cause may be carried over to be spent in the following year.

(2) A fund managing entity that carries over an amount of expenditure in accordance with paragraph (1) shall prepare a carryover statement, as prescribed by Presidential Decree, and shall send such statement to the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection, respectively, by no later than January 31 of the following year. In such cases, Article 66(8) shall apply mutatis mutandis to pass-through agencies. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

Article 73 (Settlement of funds) The head of each central government agency shall prepare and combine the statement of accounts of the funds under its control into the statement of accounts of central government agency for each fiscal year, as prescribed by the National Accounting Act, and shall submit such statement to the Minister of Finance and Economy in accordance with Article 58(1). <Amended on Oct. 1, 2025>

[This Article Wholly Amended on Dec. 31, 2008]

Article 73-2 (Preparation of settlement statement of accounts of gender-sensitive fund) (1)

The Government shall prepare a report that evaluates whether males and females receive equal benefits from the fund, and whether the fund is executed in a way that reduces gender discrimination (hereinafter referred to as "settlement statement of accounts of gender-sensitive fund").

(2) The settlement statement of accounts of gender-sensitive fund shall include the results of execution, effect analysis and evaluation of gender equality, etc.

[This Article Added on May 17, 2010]

Article 73-3 (Preparation of settlement statement of accounts of greenhouse gas reduction-sensitive fund) (1) The Government shall prepare a report to evaluate whether the fund has been executed in the direction of reducing greenhouse gases (hereinafter referred to as "settlement statement of accounts of the greenhouse gas reduction-sensitive fund").

(2) The settlement statement of accounts of the greenhouse gas reduction-sensitive fund shall include the results of execution, effect analysis, and evaluation of greenhouse gas reduction.

[This Article Added on Jun. 15, 2021]

[Previous Article 73-3 moved to Article 73-4 <Jun. 15, 2021>]

Article 73-4 (Medium and long-term fund financial management plan) (1) A managing entity of funds prescribed by Presidential Decree among funds aiming to execute pension benefits and insurance business, or bond-issuing funds shall prepare a medium and long-term fund financial management plan for the funds under its control (hereinafter referred to as "medium and long-term fund financial management plan") for the period covering at least 5 fiscal years following each fiscal year, and submit such plan to the Minister of Planning and Budget. In such cases, where the fund managing entity is not the head of a central government agency, it shall submit such plan through the head of the competent central government agency. <Amended on Oct. 1, 2025>

(2) The medium and long-term fund financial management plan shall include the following:

1. Forecast and ground for fiscal balance of revenues, etc., and its management plan;
2. Forecast and ground for increase or decrease in obligations, and its management plan;
3. Evaluation and analysis of changes in the medium and long-term fund financial management plan compared to that of the previous year, reasons behind the changes, and management plan, etc.;
4. Other matters prescribed by Presidential Decree.

(3) The Minister of Planning and Budget shall reflect the medium and long-term fund financial management plan formulated in accordance with paragraphs (1) and (2) in the national financial management plan under Article 7. <Amended on Oct. 1, 2025>

(4) Matters concerning the establishment process, etc. of a medium and long-term fund financial management plan shall be prescribed by Presidential Decree.

[This Article Added on May 17, 2010]

[Moved from Article 73-3 <Jun. 15, 2021>]

Article 74 (Deliberative Committee on Fund Management) (1) Each fund managing entity shall have a Deliberative Council on Fund Management (hereinafter referred to as the "Deliberative Council") established for each fund to deliberate on important matters

concerning the administration and management of funds; provided, it is not required to establish a Deliberative Council for a certain fund, if deemed unnecessary, subject to prior consultation with the Minister of Planning and Budget. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(2) The following matters shall be referred to the Deliberative Council for deliberation: <Amended on Dec. 31, 2008; Jun. 9, 2020>

1. Preparation of the draft fund management plan under the provisions of Article 66(5);
2. Revision to an amount of expenditure in a main category under the provisions of Article 70(2) and (3);
3. Preparation of the report on the settlement of funds under Article 73;
4. Establishment of and revision to the guidelines for asset management under the provisions of Article 79;
5. Important matters concerning administration and management of funds prescribed by Presidential Decree and referred for deliberation by the fund managing entity, as deemed necessary.

(3) The head of each fund managing entity shall act as the chairperson of the Deliberative Council, and the Council members shall be commissioned by the chairperson, being people with much knowledge and experience, at least 1/2 of whom shall be comprised of the people who are not public officials. <Amended on Jun. 9, 2020>

(4) Other necessary matters concerning the organization and management of the Deliberative Council shall be prescribed by Presidential Decree.

(5) A committee, etc. established pursuant to any other Act for deliberation on the administration and management of a fund shall be deemed to be a Deliberative Council, while the matters subject to deliberation by such a committee, etc. pursuant any other Act shall be deemed to be included in the matters subject to deliberation pursuant to the subparagraphs of paragraph (2).

Article 75 Deleted. <Dec. 31, 2008>

Article 76 (Asset management committee) (1) Except as otherwise provided in other statutes, a fund managing entity shall, establish an asset management committee (hereinafter referred to as "asset management committee") in the deliberative council to deliberate on important matters concerning its asset operation; provided, in case of the foreign exchange

equalization fund under Article 13 of the Foreign Exchange Transactions Act, or other funds which are deemed unnecessary to establish an asset management committee as a result of consultation with the Minister of Planning and Budget, the relevant fund managing entity may choose not to establish it. <Amended on Dec. 20, 2016; Oct. 1, 2025>

(2) The following matters shall be referred to the Asset Management Committee for deliberation:

1. Matters concerning establishment of a division exclusively dedicated to asset management pursuant to the provisions of Article 77;
2. Matters concerning establishment and revision to the guidelines for asset management pursuant to the provisions of Article 79;
3. Matters concerning asset management strategy;
4. Matters concerning evaluation of asset management and risk management;
5. Other important matters concerning asset management.

(3) The chairperson of the Asset Management Committee shall be appointed by the head of a fund management entity, among executive officers, employees, or public officials of the fund managing entity concerned or the entrusted institution, taking the conditions, etc. of the fund into consideration. <Amended on Jun. 9, 2020>

(4) The members of the Asset Management Committee shall be appointed or commissioned by the head of the fund managing entity among those who fall under any of the following subparagraphs. In such cases, the fixed number of the committee members who fall under subparagraph 2 shall constitute the majority of the fixed number of all committee members: <Amended on Jun. 9, 2020>

1. An executive officer, an employee, or a public official of the fund managing entity concerned or the entrusted institution;
2. A person who satisfies the qualification prescribed by Presidential Decree with much knowledge and experience in asset management.

(5) Other necessary matters concerning the organization, management, etc. of the Asset Management Committee shall be prescribed by Presidential Decree.

Article 77 (Establishment of division exclusively dedicated to asset management) (1) Each fund managing entity shall establish a division exclusively dedicated to asset management, subject to deliberation by the Asset Management Committee.

(2) Each fund managing entity shall establish a division exclusively dedicated to evaluation of asset management and risk management, or shall entrust such affairs to an external specialized institution, subject to deliberation by the Asset Management Committee.

Article 78 (Special cases concerning asset management by national pension fund) (1)

Notwithstanding Article 77, the National Pension Fund shall establish a corporation specializing in asset management to manage its surplus funds. <Amended on Jun. 9, 2020>

(2) Necessary matters concerning the organization, management, and supervision of the corporation under the provisions of paragraph (1) shall be prescribed separately by the National Pension Act.

Article 79 (Establishment of guidelines for asset management) (1)

In order to ensure that asset management of funds is carried out in a transparent and efficient manner, each fund managing entity shall establish guidelines to be complied with for asset management (hereinafter referred to as "guidelines for asset management"), subject to deliberation by the Deliberative Council, and shall submit such guidelines to the competent standing committee of the National Assembly within 14 days. In such cases, the fund established by the Asset Management Committee shall undergo deliberation by the Asset Management Committee prior to deliberation by the Deliberative Council. <Amended on Jun. 9, 2020>

(2) Notwithstanding paragraph (1), if there is no Deliberative Council established within a fund pursuant to the proviso of Article 74(1), the fund managing entity shall establish the guidelines for asset management of its own accord. <Amended on Jun. 9, 2020>

(3) The guidelines for asset management shall include the following matters:

1. Matters concerning standards and procedures for decision-making on investment, risk management, etc.;
2. Matters concerning distribution for each kind of asset invested;
3. Matters concerning the evaluation and public disclosure of the performance of asset management;
4. Matters concerning criteria and procedures for the exercise of voting rights in stocks owned;
5. Matters that the persons in charge of asset management shall observe to prevent fraudulent conduct, etc. in connection with asset management;

6. Other matters considered necessary by the fund managing entity in relation to asset management.

Article 80 (Guidelines for execution of fund management plans) The Minister of Planning and Budget may prescribe guidelines for execution of fund management plans to enhance efficiency and public character in the execution of the fund management plans. <Amended on Feb. 29, 2008; Dec. 31, 2008; Oct. 1, 2025>

Article 81 (Integrated management of surplus funds) In order to administer and manage surplus funds held by the fund, the Minister of Planning and Budget may cause a financial institution selected in accordance with the criteria and procedures prescribed by Presidential Decree engage in consolidating the surplus funds deposited by each fund managing entity to manage them comprehensively. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

Article 82 (Evaluation of fund management) (1) The Minister of Planning and Budget shall conduct surveys and evaluations of the management state of at least 1/3 of all funds each fiscal year, as prescribed by Presidential Decree, and shall make an assessment once every 3 years as to whether to allow each of such funds to continue, taking into consideration the entire financial system. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

(2) The Minister of Planning and Budget may operate the fund management evaluation team for the surveys and evaluations of the status of fund management under paragraph (1), and the specialized and technical research or consulting on the fund system. <Amended on Feb. 29, 2008; Oct. 1, 2025>

(3) The Minister of Planning and Budget shall report to the State Council the results of the evaluation conducted under paragraph (1) or (2), and then submit a report to the National Assembly along with the national statement of accounts submitted to the National Assembly in accordance with Article 61. <Amended on Feb. 29, 2008; Dec. 31, 2008; Oct. 1, 2025>

(4) Necessary matters concerning the organization and management of the fund management evaluation team under the provisions of paragraph (2) shall be prescribed by Presidential Decree.

Article 83 (Inspection of state administration) Fund managing entities that operate funds governed by this Act shall be subject to the inspection under Article 7 of the Act on the Inspection and Investigation of State Administration.

Article 84 (Liabilities of person in charge of fund asset management) (1) A person in charge of asset management of a fund shall be liable for any loss that the fund sustains due to his or her intentional or grossly negligent violation of any statute.

(2) If a public official abuses his or her official authority with the intent to exercise influence on asset management of a fund, exercises influence on a fund managing entity or any person in charge of asset management of the fund, and the fund consequently incurs losses, the public official shall be liable for such losses jointly with the person also held liable in accordance with the provisions of paragraph (1). <Amended on Jun. 9, 2020>

Article 85 (Provisions applicable mutatis mutandis) The provisions of Articles 31(3), 35, 38, 38-2, 39, 45, 49, 50, 54, and 55 shall apply mutatis mutandis to funds. <Amended on Jan. 16, 2018; Mar. 31, 2020; Feb. 10, 2026>

CHAPTER IV-2 RESEARCH MANAGEMENT

Article 85-2 (Performance management of fiscal projects) (1) The Government shall manage the performance of fiscal projects (hereinafter referred to as "performance management of fiscal projects"), which consists of the management of performance objectives and performance evaluations falling under the following subparagraphs for performance-oriented financial management.

1. Management of performance objectives: Establishment of performance objectives and performance indicators of fiscal projects and management of the execution process and results for the achievement thereof;
2. Performance evaluation: Inspection, analysis, and evaluation of the process of formulating and executing a plan for a fiscal project, the results thereof, etc.

(2) The criteria for fiscal projects subject to performance management of fiscal projects shall be determined by the Minister of Planning and Budget in consideration of the costs and effects of performance management; provided, the subjects of evaluation conducted under individual statutes and regulations shall be separately determined by the head of

the relevant central government agency. <Amended on Oct. 1, 2025>

[This Article Added on Dec. 21, 2021]

Article 85-3 (Principles of fiscal project performance management) (1) The Government shall endeavor to enhance efficiency and accountability in financial management through the performance management of fiscal projects.

(2) The Government shall endeavor to enhance the credibility of evaluation results by ensuring expertise and fairness in managing the performance of fiscal projects.

(3) The Government shall endeavor to ensure transparency in financial management by disclosing the results of managing the performance of fiscal projects.

[This Article Added on Dec. 21, 2021]

Article 85-4 (Formulation of master plans for performance management of fiscal projects) (1)

In order to efficiently manage the performance of fiscal projects, the Minister of Planning and Budget shall formulate a master plan for the performance management of fiscal projects every 5 years, including the following matters: <Amended on Oct. 1, 2025>

1. The basic direction for managing the performance of fiscal projects;
2. Subject matters and methods of performance management of fiscal projects;
3. Research and development related to performance management of fiscal projects;
4. The utilization and disclosure of results of performance management of fiscal projects;
5. Matters regarding securing expertise and independence of human resources and organizations related to performance management of fiscal projects;
6. Other matters prescribed by Presidential Decree concerning the development of business affairs for managing the performance of fiscal projects.

(2) The Minister of Planning and Budget shall formulate an annual implementation plan for the performance management of fiscal projects based on the master plan for the performance management of fiscal projects under paragraph (1). <Amended on Oct. 1, 2025>

(3) When the Minister of Planning and Budget formulates a master plan for the performance management of fiscal projects and an implementation plan for the performance management of fiscal projects under paragraphs (1) and (2), he or she shall report it to the State Council. <Amended on Oct. 1, 2025>

(4) Except as provided in paragraphs (1) through (3), matters necessary for formulating a master plan for the performance management of fiscal projects and an implementation plan for the performance management of financial projects shall be prescribed by Presidential Decree.

[This Article Added on Dec. 21, 2021]

Article 85-5 (Implementation system for performance management of fiscal projects) (1) The head of a central government agency and a fund managing entity shall establish an implementation system for the performance management of fiscal projects.

(2) The head of a central government agency shall designate public officials responsible for and in charge of the management of performance objectives (hereinafter referred to as "fiscal performance officer"), public officials responsible for assisting officials responsible for the management of performance objectives (hereinafter referred to as "fiscal performance operating officer"), and public officials responsible for the management of performance objectives for individual fiscal projects or business groups (hereinafter referred to as "performance goal officer") among the management of performance objectives for fiscal projects so that they can efficiently perform the management of performance objectives for fiscal projects.

(3) Details of the roles, etc. of fiscal performance officers, fiscal performance operating officers, and performance goal operators shall be prescribed by the guidelines determined by the Minister of Planning and Budget in accordance with Article 85-6(5). <Amended on Oct. 1, 2025>

(4) The Minister of Planning and Budget may organize and operate a financial performance evaluation team to manage the performance objectives of fiscal projects, as prescribed by Presidential Decree. <Amended on Oct. 1, 2025>

[This Article Added on Dec. 21, 2021]

Article 85-6 (Preparation of performance plans and performance reports for managing performance objectives) (1) The head of a central government agency and the fund managing entity shall formulate annual performance plans and performance reports including performance objectives and performance indicators regarding the budget and the Fund (performance reports under subparagraph 4 of Article 14 of the National Accounting Act; hereinafter the same shall apply) for the management of performance

targets for fiscal projects.

(2) Performance objectives shall be linked to the duties of an institution and higher and lower-level objectives, and shall be established in a specific and result-oriented manner so that the achievement of performance objectives can be measured with performance indicators.

(3) Performance indicators shall be clearly and specifically established, and shall be able to measure the achievement of performance objectives in an objective and timely manner.

(4) Efforts shall be made so that budget Bills under Article 33, revised budget Bills under Article 35, draft fund management plans under Article 68(1), draft revised fund management plan under Article 70(2), supplementary revised budget Bills under Article 89(1) and performance plans formulated thereunder, shall be consistent with each other in terms of project details, project costs, etc. <Added on May 27, 2009>

(5) The Minister of Planning and Budget shall formulate guidelines for preparing performance plans and performance reports under paragraph (1) and notify the heads of central government agencies and fund managing entities thereof. <Amended on Oct. 1, 2025>

(3) Details of the roles, etc. of fiscal performance officers, fiscal performance operating officers, and performance goal operators shall be prescribed by the guidelines determined by the Minister of Planning and Budget in accordance with Article 85-6(5). <Amended on Oct. 1, 2025>

[This Article Added on Dec. 21, 2021]

Article 85-7 (Submission of performance plans and performance reports) When submitting a budget request pursuant to Article 31(1), the head of a central government agency shall also submit a performance plan for the budget for the following year and a performance report for the budget for the previous year, and the fund managing entity shall submit a performance plan for the fund for the following year and a performance report for the fund for the previous year when submitting a draft fund management plan pursuant to Article 66(5).

[This Article Added on Dec. 21, 2021]

Article 85-8 (Performance management of fiscal projects) (1) The Minister of Planning and Budget may evaluate the performance of a fiscal project, as prescribed by Presidential

Decree. <Amended on Oct. 1, 2025>

(2) The Minister of Planning and Budget and the heads of the relevant central government agencies, etc. shall endeavor to minimize the overlap between the evaluation of the performance of fiscal projects conducted in accordance with paragraph (1) and the subjects of evaluation conducted pursuant to individual statutes and regulations.
<Amended on Oct. 1, 2025>

[This Article Added on Dec. 21, 2021]

Article 85-9 (Request for submission of data) If the Minister of Planning and Budget deems it necessary to manage the performance of a fiscal project, he or she may request the head of a relevant administrative agency, etc. to submit opinions or data on the management of the performance of the fiscal project. In such cases, the head of a relevant administrative agency, etc. shall comply with such request unless there is a compelling reason not to do so. <Amended on Oct. 1, 2025>

[This Article Added on Dec. 21, 2021]

Article 85-10 (Reflection of results of performance management of fiscal projects) (1) The Minister of Planning and Budget shall compile the results of the management of performance objectives for fiscal projects each year and report them to the State Council.
<Amended on Oct. 1, 2025>

(2) A fund managing entity that carries over an amount of expenditure in accordance with paragraph (1) shall prepare a carryover statement, as prescribed by Presidential Decree, and shall send such statement to the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection, respectively, by no later than January 31 of the following year. In such cases, Article 66 (8) shall apply mutatis mutandis to pass-through agencies. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

(3) The head of a central government agency may link or reflect the results of the performance management of a fiscal project to the organization, budgeting, personnel management, and remuneration system.

(4) The Government may award official commendations, awards, etc. to central government agencies or public officials who have outstanding performance results, etc. of fiscal projects.

[This Article Added on Dec. 21, 2021]

Article 85-11 (Strengthening capacity for performance management of fiscal projects) The head of a central government agency shall endeavor to develop and operate educational programs to enhance the expertise and capabilities of public officials in charge of performance management of fiscal projects, and the Minister of Planning and Budget may provide support necessary therefor. <Amended on Oct. 1, 2025>

[This Article Added on Dec. 21, 2021]

Article 85-12 (Management and disclosure of performance information) (1) The Minister of Planning and Budget shall establish and operate a performance information management system for fiscal projects so that performance information (hereafter in this Article referred to as "performance information"), such as the management of performance objectives for fiscal projects and results of performance evaluation, can be systematically managed, and shall take measures to ensure that the information is disclosed. <Amended on Oct. 1, 2025>

(2) The Minister of Planning and Budget may request the head of a central government agency to produce and manage performance information on fiscal projects under his or her jurisdiction for the systematic management of performance information under paragraph (1). The head of a central government agency shall comply with such request unless there is a compelling reason not to do so. <Amended on Oct. 1, 2025>

[This Article Added on Dec. 21, 2021]

CHAPTER V IMPROVEMENT OF FINANCIAL SOUNDNESS

Article 86 (Efforts to improve financial soundness) The Government shall endeavor to maintain its financial soundness, manage State claims efficiently, and maintain State obligations at an appropriate level.

Article 87 (Enactment of, and amendment to, statutes entailing treasury burden) (1) The Government shall, when it intends to submit a legislative Bill empowering Treasury expenditure or tax reduction or exemption, attach data of the estimates of the increase or decrease in Treasury revenue and expenditure for five consecutive fiscal years from the year the proposed Act enters into force and the corresponding fundraising scheme to the

legislative Bill.

(2) The head of each central government agency shall, when a proposed legislative Bill is to incur Treasury expenditure, prepare the estimation data and the fundraising scheme under paragraph (1), as prescribed by Presidential Decree, and shall consult with the Minister of Planning and Budget before making a preliminary announcement of the legislative bill. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

(3) Where any matter prescribed by Presidential Decree changes due to the modification of a legislative bill, following the consultation under paragraph (2), the head of each central government agency shall prepare the estimation data and the fundraising scheme on the legislative Bill, and re-consult with the Minister of Planning and Budget. <Added on May 17, 2010; Oct. 1, 2025>

Article 88 (Restrictions on rebates or reduction of national taxes) (1) The Minister of Finance and Economy shall endeavor to maintain the ratio of total national taxes reduced or exempted to the aggregate revenue of national taxes for the current year prescribed by Presidential Decree and total amount of national taxes reduced or exempted for the current year (hereinafter referred to as "ratio of national tax reductions and exemptions ratio") to not exceed the ratio prescribed by Presidential Decree (hereinafter referred to as "limit on national tax reductions and exemptions"). <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025; Feb. 10, 2026>

(2) The head of each central government agency shall, whenever he or she requests a new entitlement to reduction of or exemption from national tax payment, prepare a scheme for reducing or abolishing the existing entitlement to reduction of or exemption from national tax payment, or a scheme for reducing Treasury expenditure for the purposes of supplementing the amount reduced or exempt, as prescribed by Presidential Decree, accompanied by other necessary matters, to submit it to the Minister of Finance and Economy. <Amended on Feb. 29, 2008; May 17, 2010; Jun. 9, 2020; Oct. 1, 2025>

(3) The Minister of Finance and Economy shall submit to the National Assembly the details and reasons for exceeding the limit on national tax reductions and exemptions, accompanied by the attached documents prescribed in each subparagraph of Article 34. <Added on Feb. 10, 2026>

Article 89 (Formulation of supplementary revised budget bills) (1) The Government may formulate any supplementary revised budget Bill, if one of the following events occurs, thereby making it necessary to revise the budget already finalized: <Amended on Feb. 6, 2009; Dec. 15, 2015>

1. A war or large-scale disaster (referring to damage caused by natural disasters and social disasters defined in Article 3 of the Framework Act on the Management of Disasters and Safety) breaks out;
2. A significant change in circumstances at home and abroad, such as an economic recession, mass unemployment, change in inter-Korean relations or economic cooperation, occurs or is likely to occur;
3. The expenditure the State is obligated to pay pursuant to statutes is incurred or increased.

(2) The Government shall not allocate or execute the supplementary revised budget in advance before the budget Bill is finally adopted by a resolution of the National Assembly. [Title Amended on Feb. 6, 2009]

Article 90 (Plans for treatment and use of net budget surplus) (1) The State bonds may be repaid preferentially by using excess tax revenue anticipated in the year concerned within the extent of the State bonds already issued in the year concerned for the purpose of making up for lost revenue of general account budget, In such cases, it may be treated as an exception to the revenue and expenditure. <Added on Dec. 31, 2008>

(2) The balance of the surplus in the settlement of the revenue and expenditure budgets for each fiscal year after deducting the amount deductible pursuant to other Acts and the amount carried over pursuant to the provisions of Article 48 (hereinafter referred to as "net budget surplus") may be expended for the settlement of subsidies under Article 5(2) of the Local Subsidy Act and the settlement of the subsidies under Article 9(3) of the Local Education Subsidy Act. <Amended on Dec. 31, 2008>

(3) At least 30/100 of the net budget surplus excluding the amount expended pursuant to the provisions of paragraph (2) shall be contributed first, among other things, to the fund for redemption of public capital under the Public Capital Redemption Fund Act. <Amended on Dec. 31, 2008>

(4) At least 30/100 of the net budget surplus excluding the amounts spent or contributed pursuant to the provisions of paragraphs (2) and (3) shall be spent for repayments of the

following obligations: <Amended on Dec. 30, 2006; Dec. 31, 2008; Jun. 9, 2020>

1. Principal and interest on State bonds or borrowed loan funds;
 2. State compensation decided pursuant to the State Compensation Act;
 3. Principal and interest on the borrowed loan funds (including deposits received) in the loan account of the public capital management fund under the Public Capital Management Fund Act; provided, the foregoing shall apply only to loan funds (including deposits received) borrowed on or before December 31, 2006;
 4. Other obligations that the Government owes pursuant to other Acts.
- (5) The net budget surplus excluding the amounts spent or contributed pursuant to the provisions of paragraphs (2) through (4) may be used in the formulation of a supplementary revised budget Bill. <Amended on Dec. 31, 2008>
- (6) Spending or contribution of the net budget surplus pursuant to the provisions of paragraphs (2) through (4) may be done until the end of the year immediately after the current year during which the surplus in tax accounts accrues, irrespective of the expenditure budget of the accounts, subject to deliberation by the State Council and approval of the President. <Amended on Dec. 31, 2008; Jun. 9, 2020>
- (7) Spending or contribution of the net budget surplus pursuant to the provisions of paragraphs (2) through (5) may be initiated upon obtaining the approval of the President for the national statement of accounts pursuant to Article 13(3) of the National Accounting Act, notwithstanding any express provisions to the contrary in any other Act. <Amended on Dec. 31, 2008; Jun. 9, 2020>
- (8) The balance of the net budget surplus after deducting the amounts expended or contributed pursuant to the provisions of paragraphs (2) through (5) shall be carried over to the revenue for the following year. <Amended on Dec. 31, 2008>
- (9) The Government shall annually calculate the details of net budget surplus accrued in the immediately preceding fiscal year and formulate a plan for the use thereof before submitting a national report on the settlement of accounts under Article 61 to the National Assembly. <Added on Jun. 15, 2021>

[Title Amended on Dec. 31, 2008; Jun. 15, 2021]

Article 91 (Management of State obligations) (1) As regards pecuniary obligations that each account or fund of the State owes, the Minister of Planning and Budget shall establish a State obligations management plan each year, which shall include the following matters:

<Amended on Feb. 29, 2008; May 17, 2010; Jun. 9, 2020; Oct. 1, 2025>

1. Amounts of State bonds issued or loan funds borrowed and repaid or redeemed during the year immediately before the preceding year and also the preceding year;
2. Estimated amounts of State bonds to be issued or loan funds to be borrowed during the current fiscal year;
3. Plans for issuance of State bonds or loans, and subsequent plan for redemption of State bonds and repayment of loan funds during the period of at least five fiscal years from the relevant fiscal year;
4. Forecast and ground for increase or decrease in obligations, and its management plan during the period of at least five fiscal years from the relevant fiscal year;
5. Other matters prescribed by Presidential Decree.

(2) Pecuniary obligations prescribed in paragraph (1) mean the following obligations:

<Amended on Jun. 9, 2020>

1. Bonds issued by an account or a fund of the State (excluding the accounts or funds difficult to be regarded as the accounts or funds of the State, as specified by Presidential Decree, in substance in light of the manner of raising and managing the financial resources; hereafter the same shall apply in this paragraph);
2. Loan funds borrowed by an account or a fund of the State;
3. Commitments to take Treasury obligations by an account or a fund of the State;
4. Other obligations prescribed by Presidential Decree as similar to those set forth in subparagraphs 1 and 2.

(3) Notwithstanding paragraph (2), any of the following obligations shall not count as State obligations: <Amended on Jun. 9, 2020>

1. A treasury Bill under Article 32(1) of the Management of the National Funds Act or a temporary loan borrowed from the Bank of Korea;
2. A bond taken over or purchased and held by an account or a fund of the State among the bonds falling under paragraph (2)1;
3. A loan borrowed from another account or fund of the State among the loan funds falling under paragraph (2)2.

(4) The Minister of Planning and Budget may request the head of the central government agency concerned to submit data, if necessary for establishing a State obligations management plan under paragraph (1). <Amended on Feb. 29, 2008; Oct. 1, 2025>

Article 92 (Bearing and management of state guarantee obligations) (1) The State shall obtain prior consent of the National Assembly whenever it intends to bear any guarantee obligation.

(2) The Minister of Finance and Economy shall prepare each year a State guarantee obligation management plan on bearing and management of State guarantee obligation under paragraph (1). <Added on May 17, 2010; Oct. 1, 2025>

(3) Matters necessary for management of guarantee obligations under paragraph (1) and preparation of State guarantee obligation management plans under paragraph (2) shall be prescribed by Presidential Decree. <Amended on May 17, 2010>

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 93 (Custody and safekeeping of securities) (1) The head of each central government agency shall not have custody of any security, except as provided for otherwise by statutes.

(2) The head of each central government agency shall, when he or she is obligated to take custody of securities in accordance with the provisions of relevant statutes, entrust the custody of such securities to the Bank of Korea or a financial institution prescribed by Presidential Decree. <Amended on Jun. 9, 2020>

(3) When the Bank of Korea or a financial institution prescribed by Presidential Decree is entrusted with safekeeping of securities pursuant to the provisions of paragraph (2), the provisions of Article 15(2) through (5) of the State Property Act shall apply mutatis mutandis. <Amended on Jan. 30, 2009; Jun. 9, 2020>

Article 94 (Recording and keeping of accounting books) The Minister of Finance and Economy, the Minister of Planning and Budget, the heads of central government agencies, and the Bank of Korea and the financial institutions entrusted with safekeeping of securities in accordance with Article 93(2) shall keep accounting books and record necessary matters, as prescribed by Presidential Decree. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

Article 95 (Holding of funds) The State may hold a special fund, only when authorized by Acts. <Amended on Jun. 9, 2020>

- Article 96 (Extinctive prescription of pecuniary claims and obligations)** (1) The right of the State to payment may lapse by extinctive prescription, if it has not been exercised for five years, unless otherwise provided for by any other Act.
- (2) The provisions of paragraph (1) shall also apply to the rights to claim payment against the State.
- (3) As regards the rights of the State to payment, if there is no provision in any other Act concerning interruption or suspension of extinctive prescription, and other matters, the provisions of the Civil Act shall apply. The foregoing shall also apply to the rights to claim payment of money against the State. <Amended on Jun. 9, 2020>
- (4) A notice demanding payment issued by the State as provided for by statutes shall have the effect of interrupting prescription.

- Article 97 (Control of financial execution)** (1) The head of each central government agency and each fund managing entity shall submit to the Minister of Planning and Budget a report on execution of activities and a report on execution of the budget and a fund management plan, as prescribed by Presidential Decree. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>
- (2) In order to manage the budget and funds efficiently, the Minister of Planning and Budget may request the heads of central government agencies or the fund managing entities to take measures necessary for removing obstacles to execution and preventing extravagant expenditure, if deemed necessary as a result of analysis of the reports submitted under paragraph (1), and inspecting and monitoring the current status of execution of the budget and funds and the actual status of extravagant expenditure practices, if any. <Amended on Feb. 29, 2008; Oct. 1, 2025>

- Article 97-2 (Informatization of financial business)** (1) To ensure the smooth performance of finance-related affairs, the Minister of Finance and Economy and the Minister of Planning and Budget may develop information and communications media, programs, etc. and require the heads of central government agencies to use them. In such cases, he or she shall in advance consult with the Board of Audit and Inspection on the development of information and communications media, programs, etc. concerning national accounting business. <Amended on Oct. 1, 2025>

(2) Notwithstanding paragraph (1), the heads of central government agencies may directly develop and use information and communications media, programs, etc. which handle finance-related business. In such cases, they shall in advance consult with the Minister of Finance and Economy, the Minister of Planning and Budget, and the Board of Audit and Inspection (limited to the development of information and communications media, programs, etc. concerning national accounting business). <Amended on Oct. 1, 2025>

(3) If the Minister of Finance and Economy and the Minister of Planning and Budget deem it necessary for performing finance-related affairs through information and communications media, programs, etc. under paragraph (1), they may request the heads of relevant central government agencies, the heads of local governments, institutions falling under Article 9(2)2 and 3, and other relevant institutions to link electronic systems. In such cases, the heads of relevant central government agencies, etc. shall comply with such request unless there is a compelling reason not to do so. <Added on Dec. 21, 2021; Oct. 1, 2025>

(4) Upon receipt of a request from the National Assembly to provide any finance-related information produced through information and communications media, programs, etc. under paragraphs (1) and (2), the Minister of Finance and Economy, the Minister of Planning and Budget, and the heads of central government agencies shall provide such information in the absence of good cause. <Added on Dec. 30, 2014; Dec. 21, 2021; Oct. 1, 2025>

(5) The scope of financial information to be provided under paragraph (4), procedures and methods for provision, and other necessary matters shall be prescribed by Presidential Decree. <Added on Dec. 30, 2014; Dec. 21, 2021>

[This Article Added on Dec. 31, 2008]

Article 98 (Internal controls) The head of each central government agency shall require public officials under his or her control to implement internal controls over necessary matters in order to analyze and evaluate the adequacy of financial management and use of financial resources and the reliability of the data reported during the course of execution thereof. <Amended on Jun. 9, 2020>

Article 99 (Supervision of execution and settlement of budget and fund management plans)

The Minister of Finance and Economy and the Minister of Planning and Budget shall

require public officials under his or her control to conduct inspections and monitoring in order to ensure that the execution or settlement of the budget and the fund management plans is properly conducted, and may, if necessary, request the heads of central government agencies to reform related systems or issue instructions concerning the execution and settlement of the budget and fund management plans, subject to prior deliberation of the State Council and approval of the President. <Amended on Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

Article 100 (Citizen monitoring against unlawful spending of budget and funds) (1) When it is obvious that a person executing the budget or funds of the State, a person who receives financial support, the head of a central government agency (including the head of one of its subordinate organs), or a person who enters into a contract or conducts any other transaction with a fund management entity has incurred losses upon the State in violation of any statute, each citizen has a right to submit evidence of any unlawful spending to the head of the central government agency or the fund managing entity responsible for the execution and demand to take corrective measures.

(2) The head of a central government agency or a fund managing entity shall, upon receiving the demand for corrective measures pursuant to the provisions of paragraph (1), notify the person who demanded such corrective measures of the results of the measures taken, as prescribed by Presidential Decree. <Amended on Jun. 9, 2020>

(3) The head of a central government agency or a fund managing entity may pay the budgetary incentive under the provisions of Article 49 to the person who demanded corrective measures, if revenue has been increased or expenditure has been saved as a result of such measures taken in accordance with the provisions of paragraph (2).

Article 101 (Training of finance-related public officials) The Minister of Finance and Economy and the Minister of Planning and Budget may conduct training programs, as prescribed by Presidential Decree, to improve the expertise of public officials in charge of financial affairs in dealing with such affairs. <Amended Feb. 29, 2008; Jun. 9, 2020; Oct. 1, 2025>

CHAPTER VII PENALTY PROVISIONS

Article 102 (Penalty provisions) A public official who has exercised undue influence on a fund managing entity or any other person in charge of asset management of a fund by the abuse of his or her official authority shall be punished by imprisonment for a period not exceeding five years, by suspension of qualification for a period not exceeding ten years, or by a fine not exceeding 10 million won.