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**ENFORCEMENT DECREE OF THE ACT ON THE MANAGEMENT OF
PUBLIC INSTITUTIONS**

[Enforcement Date 09. Aug, 2017.] [Presidential Decree No.28232, 09. Aug,
2017., Partial Amendment]

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Article 1 (Purpose)

The purpose of this Decree is to provide for the matters delegated by the Act on the Management of Public Institutions and matters necessary for the enforcement thereof.

Article 2 (Amount of Total Revenue)

"Amount of total revenue" in Articles 4 (1) 2 and 5 (2) and (3) 1 (a) of the Act on the Management of Public Institutions (hereinafter referred to as the "Act") means an amount calculated in accordance with the attached Table 1, excluding the amount of obligations to pay in the future from the revenue acquired by the institution as earnings from its business or granted as an aid by the State, a local government, a private sector, etc. and the derivative revenue yielded from such revenue.

Article 3 (Amount of Government Aid)

"Amount of the Government grants" in Article 4 (1) 2 of the Act means the aggregate of the following amounts out of the amount of total revenue:

1. The amount of revenue transferred from the Government including contributions and subsidies, and the amount of revenue transferred from a private sector, etc. in compliance with mandatory provisions of the statutes, including charges under the Framework Act on the Management of Charges;
2. The amount of revenue earned from a business specified by a statute as a business of the institution or commissioned on the grounds prescribed for such commission by a statute or the amount of revenue earned from an monopoly provided for by the statutes or granted on the grounds prescribed by the statutes. In such cases, the amount of revenue means all revenues earned from a

commissioned business or monopoly, including fee, admission fee, use charge, insurance premium, contribution, charge, etc. in whatsoever name;

3. The amount of derivative revenue yielded from the management of the revenues specified in subparagraphs 1 and 2.

Article 4 (Criterion of Securing Practical Control)

"Securing de facto control" in Article 4 (1) 3 through 5 of the Act means any of the following cases:

1. Where it is possible, because of the largest shares in possession, to control the institution by the exercise of shareholders' rights in light of the diversification of shares;
2. Where involvement in appointment (including approval and recommendation) of the head of the institution or a majority of members of its board of directors is secured by the statutes or the articles of incorporation;
3. Where an authority to approve the budget or business plan of the institution is secured by the statutes or the articles of incorporation.

Article 5 (Self - Generating Revenue)

"Self - generating revenue" in Article 5 (2) and (3) 1 (a) of the Act means the aggregate of the following revenues, excluding the amount falling under subparagraph 1 of Article 3 from calculation of the following revenues:

1. Revenue from the business for its original purpose: The amount of revenue directly generated from the business specified in the Act that provides for the ground for the establishment of the relevant institution or its articles of incorporation, as calculated in accordance with the attached Table 2;
2. Revenue from other business: The amount of revenue generated from the business not specified in the Act that provides for the ground for the establishment of the relevant institution or its articles of incorporation, as calculated in accordance with the attached Table 2;
3. Revenue from any sources other than business: The amount of incidental revenue accrued derivatively from the business specified in subparagraphs 1 and 2, such as interest income accrued from the momentary fund management, as calculated in accordance with the attached Table 2.

Article 6 (Method for Calculating Total Revenue, etc.) (1) The amount of total revenue under Articles 4 (1) 2 and 5 (2) and (3) 1 (a) of the Act, the amount of the Government grants under Article 4 (1) 2 of the Act, and the amount of self-generating revenue under Article 5 (2) and (3) 1 (a) of the Act (hereinafter referred to as "amount of total revenue, etc.") shall be the average amount for the latest three years, calculated based on the financial statements for the settlement of accounts for the latest three years.

(2) In calculating total revenue, etc. in accordance with paragraph (1), an institution of which financial statements have been prepared for less than three years shall calculate its total revenue, etc. utilizing the financial statements for the corresponding period of time, while an institution whose financial statements have not been prepared yet shall prepare data equivalent to those statements based on its budget for such calculation.

(3) The financial statements under paragraph (1) shall be basically the financial statements prepared on the basis of accruals: Provided, That an institution that does not prepare such statements in accordance with accruals shall prepare data equivalent to those statements for such calculation.

(4) The prescribed number of personnel in applying Article 5 (1) of the Act, Article 3 (2) of the Addenda to the Act, and Articles 21 and 22 of this Decree shall mean the prescribed number of personnel as of the end of the year immediately preceding the designation as a public institution or the appointment or removal of executive officers: Provided, That in cases of a public institution of which the prescribed number of personnel as of the end of the immediately preceding year does not exist due to reasons, such as being newly designated as a public institution under the proviso to Article 6 (1) of the Act, it refers to the prescribed number on the day such reason arises. <Amended by Presidential Decree No. 22088, Mar. 26, 2010>

(5) The asset size under Article 5 (3) 1 (a), the main sentences of the Article 18 (2) and (4), the main sentences of Article 20 (2) and (3), the proviso to Article 21 (2) of the Act, and Article 22 (1) 2 of this Decree shall be calculated based on the financial statements for the settlement of accounts for the latest year: Provided, That in cases of a public institution, financial statements of which are not prepared due to reasons, such as being newly designated as a public institution pursuant to the proviso to Article 6 (1) of the Act, the asset size shall be calculated based on the

budget of the year in which such reason arises.<Amended by Presidential Decree No. 22088, Mar. 26, 2010>

(6) The amount of total revenue under Articles 21 and 22 (1) 1 shall be calculated based on the financial statements for the settlement of accounts for the latest year: Provided, That in cases of a public institution, financial statements of which are not prepared due to reasons, such as being newly designated as a public institution under the proviso to Article 6 (1) of the Act, the amount of total revenue shall be calculated based on the budget of the year in which such reason arises.<Amended by Presidential Decree No. 22088, Mar. 26, 2010>

(7) The Minister of Strategy and Finance may prepare specific guidelines for calculating total revenue, etc. to notify them to the administrative agencies that control the affairs of public corporations, quasi - governmental institutions, and non - classified public institutions under the relevant statutes (hereinafter referred to as "competent agencies").<Amended by Presidential Decree No. 20720, Feb. 29, 2008>

Article 7 (Criterion of Designation of Market - based Public Corporations)

"Criterion prescribed by Presidential Decree" in Article 5 (3) 1 (a) of the Act means 85/100.

Article 8 (Procedure for Designation of Public Institutions, etc.) (1) The head of the competent agency shall notify the Minister of Strategy and Finance of the institutions subject to designation of public institutions pursuant to Article 4 of the Act by no later than one month before the beginning of each fiscal year. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

(2) If any change occurs in the legal personality, name, etc. of a public institution, or any reason arises for initial designation of or designation of a public institution by changing the classification or any reason for the cancellation of designation pursuant to the proviso to Article 6 (1) of the Act, the head of the competent agency shall notify the details thereof to the Minister of Strategy and Finance without delay. <Amended by Presidential Decree No. 22088, Mar. 26, 2010>

Article 9 (Examination on Establishment of New Institution)

Where the head of the competent agency requests the Minister of Strategy and Finance to examine the feasibility of the establishment of a new institution in

accordance with Article 7 (1) of the Act, he/she shall submit a plan containing the following descriptions and materials: <Amended by Presidential Decree No. 20720, Feb. 29, 2008 >

1. Scope and details of the business of the institution;
2. Services and goods that the new institution will provide;
3. Annual revenue expected and budget of the Government grants required for the next five years;
4. Plan for the operation of the organization and human resources for the next five years;
5. Current status of related institutions already established;
6. Other materials requested by the Minister of Strategy and Finance.

Article 10 (Matters Subject to Deliberation and Resolution by Steering Committee)

"Other matters prescribed by Presidential Decree concerning operation of public institutions" in subparagraph 15 of Article 8 of the Act means the following matters: <Amended by Presidential Decree No. 28232, Aug. 9, 2017 >

1. Matters concerning the items, guidelines, procedure, etc. for the consolidated publication under Article 16;
2. Matters concerning the scope of public institutions that provide direct services to the people under Article 17 (1);
3. Matters concerning the designation of the institutions exempt from the adjustment of function, etc. under Article 18 (2);
4. Matters concerning the request for evaluation of management performance under Article 27 (1);
5. Matters concerning the operation of the management evaluation team for public corporations and quasi - governmental institutions under Article 28 (4);
6. Matters concerning the determination on whether to consider as actual revenue under subparagraph 3 (c) of attached Table 1.

Article 11 (Composition of Steering Committee) (1) "Vice Minister, Deputy

Administrator, or an equivalent public official of the related administrative agency as prescribed by Presidential Decree" in Article 9 (1) 2 of the Act means the following persons: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Act No. 24441, Mar. 23, 2013; Presidential Decree No. 25751, Nov. 19, 2014; Presidential Decree No. 28211, Jul. 26, 2017 >

1. The Vice Minister of Strategy and Finance nominated by the Minister of Strategy and Finance;
2. The Vice Minister of the Interior and Safety;
3. One Vice Minister - level public official nominated by the Chairman of Anti - Corruption & Civil Rights Commission;
4. The Minister of Personnel Management.

(2) "People who have good knowledge and experience in the area of the operation and business administration of public institutions" in Article 9 (1) 4 of the Act means any of the following persons: < Amended by Presidential Decree No. 20947, Jul. 29, 2008 >

1. Persons who have a career of working for a university, a college, or an officially recognized research institute as an adjunct professor or in an equivalent position for at least five years;
2. Persons who have a career as a judge, a prosecutor, or a lawyer for at least ten years;
3. Persons who have a career of working for a public institution under the Act and this Decree or a stock - listed corporation under Article 9 (15) 3 of the Financial Investment Services and Capital Markets Act for at least twenty years and who have served as an executive officer for at least three years;
4. Persons who have a career of engaging in the area of audit or accounting for the institutions listed in subparagraph 3 with a license of certified public accountant for at least ten years;
5. Public officials in the Senior Civil Service Corps or persons who have served as a public official in political service;
6. Other persons whose careers, etc. related to the operation of a public institution are recognized as equivalent to the criteria set forth in subparagraphs 1 through 5.

(3) The Steering Committee may establish and run an advisory team composed of related specialists to give advices on specialized or technical matters relating to the operation of public institutions.

Article 12 (Operation of Steering Committee) (1) The chairperson shall convene and preside over the meetings of the Steering Committee.

(2) If the chairperson is unable to perform his/her duties due to any unavoidable cause, a member designated by the chairperson shall act on behalf of the

chairperson. <Amended by Presidential Decree No. 22088, Mar. 26, 2010>

(3) The Steering Committee may request a public official concerned or an executive officer or an employee, etc. of a public institution to appear before the committee, submit materials, and present his/her opinion whenever necessary for executing its business.

(4) Allowances, travel expenses, and other necessary expenses may be reimbursed to the committee members, other than public officials, within the limit of its budget.

(5) The chairperson shall send the materials related to the matters on the agenda brought up to the meeting of the Steering Committee, in advance, to the Chairperson of the Board of Audit and Inspection and the heads of related administrative agencies pursuant to Article 10 (3) of the Act.

(6) Other matters necessary for the operation of the Steering Committee shall be prescribed by the chairperson after resolution by the Steering Committee.

(7) The matters prescribed in paragraph (6) shall include the matters concerning the preparation and preservation of the minutes of meeting of the Steering Committee and the disclosure of the contents of the minutes of meeting under the Official Information Disclosure Act.

Article 13 (Exclusion, Challenge, and Abstention of Members of Steering Committee)

(1) A committee member shall be excluded from deliberation and resolution on any of the following matters:

1. A matter in which the member has direct interests;
2. A matter in which the member's spouse, relative by blood within the fourth degree, or relative by marriage within the second degree, or an institution to which the member belongs has interests;
3. A matter in which a person who acts as an advisor, a consultant, etc. for the member, or an institution to which the member belongs has interests.

(2) A person who has direct interests in a matter subject to deliberation and resolution by the Steering Committee may file an application for challenge against a member, if there is any ground on which it is difficult to expect fairness in deliberation and resolution. In such cases, the chairperson shall decide whether to accept the application for challenge, without referring it to the Steering Committee for resolution.

(3) A committee member may voluntarily abstain from deliberation and resolution on a case, if he/she falls under any of the grounds set forth in paragraph (1) or (2).

Article 14 (Subcommittees) (1) The Steering Committee may have subcommittees composed of some of the committee members for carrying out its business affairs in an efficient manner.

(2) The chairperson and members of a subcommittee shall be appointed by the chairperson of the Steering Committee.

(3) The subcommittee shall review matters decided by a resolution of the Steering Committee, and shall report the results thereof to the Steering Committee.

(4) Other matters necessary for the organization and operation of subcommittees shall be prescribed by the chairperson after resolution by the Steering Committee.

Article 15 (Publication on Management)

The publication on the matters specified in Article 11 (1) of the Act shall be made as follows: <Amended by Presidential Decree No. 22088, Mar. 26, 2010; Presidential Decree No. 27505, Sep. 22, 2016 >

1. The publication on management shall be made by posting and furnishing the data for the latest five years concerning the matters subject to publication;
2. The statements on the settlement of accounts under Article 11 (1) 2 of the Act shall be posted and furnished within 90 days after the end of each business year;
3. Information about the matters under Article 11 (1) 1 and 3 through 15 of the Act shall be posted and furnished without delay whenever the relevant matter arises.

Article 16 (Consolidated Publication) (1) The Minister of Strategy and Finance shall prescribe the items subject to consolidated publication under Article 12 of the Act and the matters concerning the criteria and procedures therefor (hereinafter referred to as "criteria, etc. for consolidated publication") after deliberation and resolution by the Steering Committee, and shall notify them to the heads of public institutions. <Amended by Presidential Decree No. 20720, Feb. 29, 2008 >

(2) In cases of revising the matters concerning the criteria, etc. for consolidated publication prescribed in accordance with paragraph (1), the Minister of Strategy and Finance shall finalize such revision after deliberation and resolution by the Steering Committee, and shall notify it to the heads of public institutions by no later than

fourteen days before enforcing the criteria, etc. for consolidated publication as revised. <Amended by Presidential Decree No. 20720, Feb. 29, 2008 >

(3) The head of a public institution shall publish the operation information in accordance with the criteria, etc. for consolidated publication under paragraphs (1) and (2) on the Internet site designated by the Minister of Strategy and Finance. <Amended by Presidential Decree No. 20720, Feb. 29, 2008 >

Article 17 (Customer Charter, etc.) (1) The Minister of Strategy and Finance shall determine the scope of public institutions that provide direct service to the people, after deliberation and resolution by the Steering Committee, and shall notify the heads of public institutions of such scope. <Amended by Presidential Decree No. 20720, Feb. 29, 2008 >

(2) Upon establishing the customer charter under Article 13 (1) of the Act, every public institution shall announce it via the Internet, etc. or post it at a certain place to make it known to the people.

(3) The heads of public institutions may request an independent specialized institution to conduct a survey on customer satisfaction level under Article 13 (2) of the Act.

Article 18 (Adjustment, etc. of Functions of Public Institutions) (1) The Minister of Strategy and Finance may carry out adjustment of functions, etc. of public institutions under Article 14 of the Act step by step, considering the nature, peculiarities of business affairs, etc. of public institutions. <Amended by Presidential Decree No. 20720, Feb. 29, 2008 >

(2) The Minister of Strategy and Finance may exclude any of the following public institutions from those subject to adjustment of functions, etc. under Article 14 of the Act after deliberation and resolution by the Steering Committee: <Amended by Presidential Decree No. 20720, Feb. 29, 2008 >

1. An institution for which a relevant Act provides that it is necessary to guarantee independence from the Government and neutrality in executing the functions of the institution;
2. An institution for which three years have not passed yet since its establishment;
3. Other institutions for which the Steering Committee determines it not proper to be subjected to adjustment of functions, etc., considering the peculiarities of its

business affairs, etc.

(3) Where necessary for the smooth implementation of the plan under Article 14 (3) of the Act, the Minister of Strategy and Finance may, after consultation with the head of the competent agency and through deliberation and resolution by the Steering Committee, request the head of the competent agency to entrust the disposal of properties owned by the State and public institutions to the Korea Asset Management Corporation (hereinafter referred to as the “ Korea Asset Management Corporation ”) prescribed in the Act on the Efficient Disposal of Non - Performing Assets, etc. of Financial Companies and the Establishment of Korea Asset Management Corporation. <Newly Inserted by Presidential Decree No. 23024, Jul. 14, 2011; Presidential Decree No. 25279, Mar. 24, 2014 >

(4) When entrusting the disposal of owned properties pursuant to (3), the head of the competent agency shall enter into a commission contract with the Korea Asset Management Corporation that includes each of the following subparagraphs: <Newly Inserted by Presidential Decree No. 23024, Jul. 14, 2011 >

1. The purpose of the entrustment;
2. The cost and fee of the entrustment;
3. Other matters necessary for execution of the entrustment.

Article 19 (Non - Standing Senior Director) (1) A non - standing senior director prescribed in Article 21 of the Act shall be appointed, from among persons who have good knowledge and experience in operation and business administration of public institution and good reputation of impartiality and fall under any subparagraph of Article 11 (2).

(2) A non - standing senior director may convene and preside over the non - standing directors' meeting to discuss the matters on the agenda of the directors' meeting and other matters concerning the operation of the institution.

(3) The head of a public corporation or a quasi - governmental institution shall help a non - standing senior director carry out the affairs set forth in paragraph (2) as necessary.

Article 20 (Explanation for Non - standing Director's Request for Audit, etc.) (1) Where it is difficult to comply with the non - standing director's request for audit under Article 22 (2) of the Act due to extraordinary circumstances, the auditor or the audit

committee shall explain such circumstances to the non - standing director, and shall report it to the board of directors.

(2) Where it is difficult to comply with the non - standing director's demand for data under Article 22 (3) of the Act due to extraordinary circumstances, the head of a public corporation or a quasi - governmental institution shall explain such circumstances to the non - standing director, and shall report it to the board of directors.

Article 21 (Appointment or Removal from Office of Executive Officers of Public Corporations)

"Public corporation, the size of which is below the criteria prescribed by Presidential Decree" in the provisos to Article 25 (1) and (4) of the Act means a public corporation whose total revenue under Article 2 is less than one hundred billion won or whose prescribed number of personnel is less than five hundred persons.

Article 22 (Appointment or Removal from Office of Executive Officers of Quasi -

Governmental Institutions) (1) "Criteria prescribed by Presidential Decree" in the provisos to Article 26 (1) and (4) of the Act and "criteria prescribed by Presidential Decree" in the main sentences of Articles 24 (3) and 26 (3) of the Act means the following criteria, respectively: [<Amended by Presidential Decree No. 22088, Mar. 26, 2010; Presidential Decree 27073, Mar. 31, 2016>](#)

1. Commissioned service - type quasi - governmental institutions: Whose total revenue under Article 2 shall be no less than one hundred billion won and whose prescribed number of personnel shall be no less than five hundred persons;
2. Fund operation - type quasi - governmental institutions: Whose asset size (including fund assets in commissioned operation) shall be no less than one trillion won and whose prescribed number of personnel shall be no less than five hundred persons.

(2) "Quasi - governmental institution which is prescribed by Presidential Decree" in the main sentences of Articles 24 (3) and 26 (3) of the Act and the proviso to Article 26 (4) of the Act and "quasi - governmental institution which is specified by Presidential Decree" in the proviso to Article 26 (1) of the Act means any of the following institutions: [<Amended by Presidential Decree No. 22088, Mar. 26, 2010; Presidential Decree 27073, Mar. 31, 2016>](#)

1. Independence Hall of Korea under the Independence Hall of Korea Act;
2. Korea Workers' Compensation and Welfare Service under the Industrial Accident Compensation Insurance Act;
3. Korea Consumer Agency under the Framework Act on Consumers;
4. Korea Housing Finance Corporation under the Korea Housing Finance Corporation Act;
5. National Research Foundation of Korea under the National Research Foundation of Korea Act;
6. Korea Student Aid Foundation under the Act on the Establishment, etc. of Korea Student Aid Foundation;
7. The Korea International Cooperation Agency established under the Korea International Cooperation Agency Act.

Article 23 (Organization and Operation of Committee for Recommendation of Executive Officers) (1) Where it is necessary to appoint a new executive officer due to expiration of an executive officer's term of office or any other reason, the board of directors of a public corporation or a quasi - governmental institution shall organize the Committee for Recommendation of Executive Officers provided for in Article 29 of the Act (hereinafter referred to as "Recommendation Committee") without delay.

(2) The number of members of the Recommendation Committee shall be determined by a resolution of the board of directors within the range between five and fifteen persons: Provided, That the number of the members may be two or three persons, if the number of non - standing directors as at the time of the organization of the Recommendation Committee is not more than two persons. <Amended by Presidential Decree No. 22088, Mar. 26, 2010 >

(3) The members appointed by the board of directors under Article 29 (2) of the Act shall be chosen, from among persons with good knowledge and experience in the various areas of law, economy, press, academia, labor, etc.: Provided, That such members shall include one person who can represent the opinions of the members of the relevant public corporation or quasi - governmental institution.

(4) The Recommendation Committee shall adopt a resolution by the affirmative vote of a majority of its incumbent members.

(5) The Recommendation Committee may commission some of its works, including invitation and search of candidates for executive officers, to a specialized institution.

(6) Matters necessary for the operation of the Recommendation Committee, such as the organization of the Recommendation Committee, the system for exclusion, challenge, or abstention of a member, etc. and the appointment of executive officers in addition to the matters prescribed by the Act or this Decree shall be provided for by the articles of incorporation or the bylaws of the public corporation or the quasi-governmental institution.

(7) Deleted. <by Presidential Decree No. 28232, Aug. 9, 2017 >

Article 24 (Invitation of Candidates for Executive Officers) (1) When inviting candidates for executive officers publicly in accordance with Article 30 (4) of the Act, such invitation shall be publicly announced on the Internet homepage of the public corporation or the quasi-governmental institution and in one or more daily newspapers, and the period of time allowed for application shall be at least one week: Provided, That such period of time may be shortened with approval of the head of the competent agency, if there exist unavoidable circumstances for prompt appointment. <Amended by Presidential Decree No. 22088, Mar. 26, 2010; Presidential Decree No. 28232, Aug. 9, 2017 >

(2) When publicly notifying the matters concerning the open invitation of candidates for executive officers under paragraph (1), a public corporation or a quasi-governmental institution shall request the competent agency, the Ministry of Strategy and Finance, and the Ministry of Personnel Management to post such invitation on their homepages. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Act No. 24441, Mar. 23, 2013; Presidential Decree No. 25751, Nov. 19, 2014 >

Article 24 - 2 (Request for Re - recommendation of Candidates for Executive Officers)

An appointing authority or recommending authority for appointment of executive officers of a public corporation or a quasi-government institution referred to in Article 25 or 26 of the Act may make a request for the re - recommendation of candidates for executive officers to the Recommendation Committee, if the candidates for executive officers recommended by the Recommendation Committee fall under the grounds for disqualifications under Article 34 (1) of the Act or are deemed noticeably inappropriate for the operation of a public corporation or a quasi -

government institution.

[This Article Newly Inserted by Presidential Decree No. 22088, Mar. 26, 2010]

Article 25 (Restriction on Concurrent Offices of Executive Officers and Employees)

@Article 25 of the State Public Officials Service Regulations shall apply mutatis mutandis to the scope of business for profit referred to in Article 37 (3) of the Act.

Article 25 - 2 (Institutions, etc. to Establish Mid - and Long - Term Financial

Management Plans) (1) “ Public corporations and quasi - governmental institutions under the categories prescribed by Presidential Decree ” under Article 39 - 2 (1) 2 means any of the following public corporations and quasi - governmental institutions:

1. Public corporations and quasi - governmental institutions for which the provisions on compensation by the Government for their losses are prescribed by the Acts that set forth the grounds for the establishment of such public corporations and quasi - government institutions;
2. Public corporations and quasi - governmental institutions that the Minister of Strategy and Finance determines and publicly announces, based on the comprehensive consideration of the scale, cause, term, etc. of the encroachment of capital, from among public corporations and quasi - governmental institutions the amount of debt of which exceeds assets.

(2) When establishing a mid - and long - term financial management plan, the head of an institution falling under any of the subparagraphs under Article 39 - 2 (1) of the Act shall comply with the preparation method, etc. determined and publicly announced by the Minister of Strategy and Finance, in consideration of the following:

1. Matters relating to specific items that must be commonly included in the contents to be prepared;
2. Matters relating to standard setting, such as an assumption commonly applied to various kinds of prospects, assessments, and analyses;
3. Matters necessary for maintaining objectivity of the contents to be prepared;
4. Matters relating to contents that must be included in the financial management plan referred to in Article 39 - 2 (2) 3 of the Act and the liability management plan referred to in subparagraph 4 of the same Article.

(3) Where necessary for establishing matters regarding the preparation method of the mid - and long - term financial management plan under (2), the Minister of

Strategy and Finance may consult with the head of the competent agency.

[This Article Newly Inserted by Presidential Decree No. 24780, Oct. 2, 2013]

- Article 25 - 3 (Preliminary Feasibility Study)** (1) The head of a public corporation or quasi - governmental institution (hereafter referred to as “ institution head ” in this Article) shall apply for a preliminary feasibility study as provided for in the main sentence of Article 40 (3) of the Act to the Minister of Strategy and Finance, if he/she intends to compile a budget for any new investment project or capital investment that meets both of the following requirements:
1. The total required budget is 100 billion won or more;
 2. The sum of the amounts to be contributed by the State and the relevant institution is 50 billion won or more.
- (2) An institution head who applies for a preliminary feasibility study under paragraph (1) shall submit a business plan specifying the name, outline, necessity, etc. of the relevant project to the Minister of Strategy and Finance.
- (3) The Minister of Strategy and Finance who receives an application under paragraph (1) shall determine whether to conduct the preliminary feasibility study, after a consultation with relevant experts.
- (4) If an institution head wishes to obtain confirmation that any new investment project or capital investment meeting both requirements of subparagraphs of paragraph (1) is eligible for an exemption from a preliminary feasibility study under the proviso to Article 40 (3) of the Act, he/she shall submit to the Minister of Strategy and Finance a written requirement for confirmation of exemption from a preliminary feasibility study that specifies the name, outline, necessity, etc. of the relevant project and the reason for exemption: Provided, That the institution head is also allowed to submit the requirement for confirmation of exemption from a preliminary feasibility study before obtaining the consent of the competent Standing Committee of the National Assembly under Article 40 (3) 5 of the Act, if he/she wishes to obtain confirmation from the Minister of Strategy and Finance that the relevant project needs to be urgently implemented to prevent a disaster.
- (5) If the Minister of Strategy and Finance who receives a written requirement for confirmation of exemption from a preliminary feasibility study under paragraph (4) confirms, after a consultation with relevant experts, that the relevant project

corresponds to any subparagraph of Article 40 (3) of the Act, he/she shall inform the result to the institution head.

(6) The Minister of Strategy and Finance shall prepare and inform to each institution head a guideline including selection criteria, agencies, methodologies, procedures, etc. for a preliminary feasibility study under Article 40 (3) of the Act.

[This Article Newly Inserted by Presidential Decree No. 27505, Sep. 22, 2016]

Article 26 (Submission of Statements on Settlement of Accounts) (1) Deleted. <by

Presidential Decree No. 23221, Oct. 14, 2011>

(2) A quasi - governmental institution shall submit the final statements on the settlement of accounts to the Minister of Strategy and Finance within ten days after the statements are finalized in accordance with Article 43 (2) of the Act.<Amended by

Presidential Decree No. 20720, Feb. 29, 2008>

Article 26 - 2 (Organization and Operation of Appointment Committee of Accounting

Auditors) (1) Members of an appointment committee for accounting auditors referred to in Article 43 - 2 (1) of the Act (excluding cases where audit committee is deemed an appointment committee for accounting auditors under the same paragraph) shall be comprised of all auditors and non - standing directors of the relevant public corporation or quasi - government institution.

(2) The chairperson of the appointment committee for accounting auditors shall be elected, from among the members who are non - standing directors of the relevant public corporation or quasi - government institution.

(3) The chairperson shall convene and preside over the meetings of the appointment committee for accounting auditors.

(4) Meetings of the appointment committee for accounting auditors shall be held with the attendance of more than 2/3 of the incumbent members and require the consent of a majority of the members present for resolution.

(5) In addition to the matters specified in paragraphs (1) through (4), matters necessary for the operations, etc. of the appointment committee for accounting auditors shall be prescribed by the Minister of Strategy and Finance.

[This Article Newly Inserted by Presidential Decree No. 22088, Mar. 26, 2010]

Article 27 (Management Performance Evaluation) (1) The Minister of Strategy and Finance may commission the management performance evaluation of public corporations and quasi - governmental institutions to a specialized institution, after resolution by the Steering Committee, if deemed necessary. <Amended by Presidential Decree No. 20720, Feb. 29, 2008 >

(2) The Minister of Strategy and Finance shall prepare a manual for the management performance evaluation before the beginning of each fiscal year, taking into consideration the criteria and method for the management performance evaluation as well as the corrective measures, etc. according to the evaluation results, pursuant to Article 48 of the Act: Provided, That with respect to a public corporation or a quasi - governmental institution newly designated pursuant to Article 6 of the Act, the manual for the management performance evaluation shall be prepared within four months after such designation.<Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 23024, Jul. 14, 2011 >

(3) The Minister of Strategy and Finance may, after deliberation and resolution by the Steering Committee, take follow - up measures, such as making suggestions or demands concerning personnel or budgetary actions, or deciding on the piece rate. <Newly Inserted by Presidential Decree No. 23024, Jul. 14, 2011 >

Article 28 (Organization and Operation of Management Evaluation Team for Public Corporations and Quasi - Governmental Institutions) (1) The Minister of Strategy and Finance may occasionally organize and operate the management evaluation team for public corporations and quasi - governmental institutions (hereinafter referred to as "management evaluation team") pursuant to Article 48 (6) of the Act with the persons commissioned, from among the following persons: <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 23024, Jul. 14, 2011 >

1. A professor of a college or a university who has expertise in operation and business administration of public institutions;
2. A person working for a government - funded research institute with a doctor's degree or deemed to have an equivalent qualification;
3. A certified public accountant, a lawyer, or a specialist in management consulting with an experience of practice for at least five years;

4. A person recognized otherwise as having good expertise and experience in operation and business administration of public institutions.

(2) The expenses required for the management evaluation team's performance of duties may be reimbursed within the limit of the budget.

(3) The management evaluation team shall be deemed to be dissolved when the missions assigned are completed.

(4) Matters necessary for the organization and operation of the management evaluation team in addition to the matters prescribed by this Decree shall be prescribed by the Minister of Strategy and Finance after resolution by the Steering Committee. <Amended by Presidential Decree No. 20720, Feb. 29, 2008; Presidential Decree No. 22088, Mar. 26, 2010>

Article 29 (Monitoring Adequacy of Supervision)

The Minister of Strategy and Finance and the head of the competent agency may monitor the adequacy of the supervision over public corporations and quasi-governmental institutions and take measures for improvement step by step pursuant to Article 51 (4) of the Act, considering the nature, peculiarities of business affairs, etc. of such corporations and institutions. <Amended by Presidential Decree No. 20720, Feb. 29, 2008>

Article 29 - 2 (Prior Consultations on Funding or Investment) (1) “ Specific cases prescribed by Presidential Decree ” in the proviso to Article 51 - 2 (1) of the Act means where a public corporation or quasi - governmental institution acquires any stake in another corporation in accordance with any of the following decisions, etc:

1. Where a public institution that provides financial services makes an investment in accordance with the following:

(a) A decision on authorization of rehabilitation plan under Article 242 of the Debtor Rehabilitation and Bankruptcy Act;

(b) A resolution of the Council on the adjustment of claims under Article 17 of the Corporate Restructuring Promotion Act;

(c) A resolution on the adjustment of claims of any council established for having discussions on credit risk assessment and restructuring plans for a company subject to financial restructuring among creditor banks with claims against said company;

- (d) Investment in a special purpose company for providing a guarantee to said company under Article 28 - 3 of the Korea Technology Finance Corporation Act or Article 23 - 3 of the Credit Guarantee Fund Act;
 - (e) Guarantee - linked investment under Article 28 - 4 of the Korea Technology Finance Corporation Act or Article 23 - 4 of the Credit Guarantee Fund Act;
 - (f) Financing to an insured financial company under Article 38 of the Depositor Protection Act;
 - (g) Providing public funds under the Special Act on the Management of Public Funds;
2. Where an investment is made through the deliberation and resolution of a meeting attended by persons in ministerial level positions or above, which serves as a de facto prior consultation with the head of the competent agency and the Minister of Strategy and Finance.
- (2) If a deliberation and resolution by the board of directors of a public corporation or quasi - governmental institution is required to establish a funding or investment institution or to fund or invest in another corporation, a prior consultation under Article 51 - 2 of the Act shall be held before such deliberation and resolution of the board of directors.
- (3) If a public corporation or quasi - governmental institution holds a prior consultation to establish a funding or investment institution or to fund or invest in another corporation under Article 51 - 2 of the Act, it shall submit a plan that includes the following information to the head of the competent agency and the Minister of Strategy and Finance:
- 1. Objective of and necessity for the relevant funding or investment;
 - 2. Scope and content of business engaged in by the corporation subject to the relevant funding or investment;
 - 3. Amount of and time frame for the relevant funding or investment;
 - 4. Annual financial plans of the corporation subject to the relevant funding or investment over the last five years or more;
 - 5. Details of budget support, debt guarantees, loss compensation, etc. provided by the Government or a public institution to the corporation subject to the relevant funding or investment;

6. Other data requested by the head of the competent agency and the Minister of Strategy and Finance.

[[This Article Newly Inserted by Presidential Decree No. 27505, Sep. 22, 2016](#)]

Article 30 (Execution of Rights of Minority Shareholders, etc.)

"Securities market prescribed by Presidential Decree" in Article 54 of the Act means the securities market under Article 176 - 9 (1) of the Enforcement Decree of the Financial Investment Services and Capital Markets Act.

[[This Article Newly Inserted by Presidential Decree No. 24697, Aug. 27, 2013](#)]

Article 31 (Management of Personally Identifiable Information)

The Minister of Strategy and Finance, the heads of the competent agencies, the heads of public corporations, and the heads of quasi - governmental institutions may manage data containing resident registration numbers prescribed in subparagraph 1 of Article 19 of the Enforcement Decree of the Personal Information Protection Act, if it is inevitable to verify the grounds for disqualification of the executive officers of public corporations or quasi - governmental institutions as prescribed in Article 34 of the Act.

[[This Article Newly Inserted by Presidential Decree No. 25532, Aug. 6, 2014](#)]

ADDENDA <No. 20720, 29. Feb, 2008 >

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)
Articles 2 through 8 Omitted.

ADDENDA <No. 20947, 29. Jul, 2008 >

Article 1 (Enforcement Date)

This Decree shall enter into force on February 4, 2009. (Proviso Omitted.)
Articles 2 through 28 Omitted.

ADDENDA <No. 22088, 26. Mar, 2010>

This Decree shall enter into force on March 30, 2010.

ADDENDA <No. 23024, 14. Jul, 2011>

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

ADDENDA <No. 23221, 14. Oct, 2011>

Article 1 (Enforcement Date)

This Decree shall enter into force on October 15, 2011.

Article 2 Omitted.

ADDENDA <No. 24441, 23. Mar, 2013>

Article 1 (Enforcement Date)

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

Articles 2 through 5 Omitted.

ADDENDA <No. 24697, 27. Aug, 2013>

Article 1 (Enforcement Date)

This Decree shall enter into force on August 29, 2013. (Proviso Omitted.)

Articles 2 through 13 Omitted.

ADDENDA <No. 24780, 02. Oct, 2013>

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

ADDENDA <No. 25279, 24. Mar, 2014>

Article 1 (Enforcement Date)

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

Articles 2 and 3 Omitted.

ADDENDA <No. 25532, 06. Aug, 2014 >

This Decree shall enter into force on August 7, 2014.

ADDENDA <No. 25751, 19. Nov, 2014 >

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That Presidential Decrees amended by Article 5 of the Addenda, which were promulgated before this Decree enters into force but the enforcement dates of which have not arrived yet, shall enter into force on the enforcement date of the respective Decrees. Articles 2 through 5 Omitted.

ADDENDA <No. 27073, 31. Mar, 2016 >

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

ADDENDA <No. 27505, 22. Sep, 2016 >

Article 1 (Enforcement Date)

This Decree shall enter into force on September 23, 2016.

Article 2 (Applicability to Preliminary Feasibility Study)

The amended provisions of Article 25 - 3 shall apply, beginning with the first application for a preliminary feasibility study made on or after the date this Decree enters into force.

ADDENDA <No. 28211, 26. Jul, 2017 >

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That Presidential Decrees amended by Article 8 of the Addenda, which were promulgated before this Decree enters into force but the enforcement dates of which have not

arrived yet, shall enter into force on the enforcement date of the respective Decrees.
Articles 2 through 8 Omitted.

ADDENDA <No. 28232, 09. Aug, 2017 >

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