

ENFORCEMENT DECREE OF THE ACT ON PROHIBITION AGAINST THE FINANCING OF TERRORISM

Presidential Decree No. 21115, Nov. 11, 2008

Article 1 (Purpose)

The purpose of this Decree is to prescribe matters delegated by the Act on Prohibition against the Financing of Terrorism and those necessary for the enforcement thereof.

Article 2 (Permission for Financial Transactions)

(1) Any person who is listed and publicly notified as a person whose financial transactions are restricted pursuant to the first sentence of Article 4 (3) of the Act on Prohibition against the Financing of Terrorism (hereinafter referred to as the "Act") shall, when he/she wishes to obtain permission from the Financial Services Commission for a financial transaction with a financial institution, etc. (referring to a financial institution, etc. under subparagraph 1 of Article 2 of the Act on Reporting and Use of Certain Financial Transaction Information) or for the disbursement or receipt of the payment therefor (hereinafter referred to as "financial transaction, etc."), file documents for application for permission with the Financial Services Commission, as prescribed and publicly notified by the Financial Services Commission.

(2) The Financial Services Commission shall, upon receiving an application for permission for a financial transaction under paragraph (1), examine the following matters, make a decision within 30 days from the filing date of the application on whether to grant permission and notify the applicant of its decision in writing without delay: *Provided*, That if it is unable to make a decision within the prescribed period of time due to any unavoidable

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cause or event, it may extend the period of time up to 30 days, beginning on the last day of the prescribed period of time, and shall notify the applicant of the reasons for extension, the extended period of time, and other relevant matters in detail:

1. Whether the relevant financial transaction is subject to permission;
2. Reasons for and the amount of the relevant financial transaction; and
3. Details of the transaction or act resulting in the relevant financial transaction.

(3) The Financial Services Commission may, if any person listed and publicly notified as a person whose financial transactions are restricted comes to fall under any of the following subparagraphs, grant him/her permission to make a financial transaction:

1. If it is necessary to grant permission, out of humanity, for paying the minimum cost of living, such as food, clothing and shelter, medical expenses, or other expenses;
2. If it is necessary to grant permission for disbursement to fulfill an obligation to a third party who is not related to the financing of fund for the purpose of terrorism (hereinafter referred to as "fund for terrorism"); or
3. If the relevant financial transaction is not related to the financing of fund for terrorism and it is necessary to grant permission the relevant financial transaction for any other reason.

(4) The Financial Services Commission may, when it grants permission pursuant to paragraph (2) or (3), prescribe the types and scope of the relevant financial transaction and other relevant matters.

(5) If any error or omission exists in an application filed in accordance with paragraph (1), the Financial Services Commission may request the applicant to correct the application. In such cases, the period of time required for correcting the application shall not be counted toward the period of time under paragraph (2).

Article 3 (Objection to Disposition as a Person whose Financial Transactions are Restricted)

(1) Any person who has an objection to disposition as a person whose financial transactions are restricted under Article 4 (1) of the Act may file an objection with the Financial Services Commission within 30 days

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from the day on which he/she becomes aware of such disposition, while a person who has an objection to the denial of permission for a financial transaction under Article 4 (3) of the Act may file an objection with the Financial Services Commission within 30 days from the day on which the decision of denial is made.

(2) Any person who intends to file an objection in accordance with paragraph (1) shall file it in writing with the Financial Services Commission, stating the following matters:

1. Name, citizen identification number, address, and contact information of the petitioner for objection (or the name of a legal entity or an organization, the address of its office or place of business, and the name of its representative, if the petitioner for objection is a legal entity or an organization);
2. Details of the disposition as a person whose financial transactions are restricted or details of the denial of permission for a financial transaction, against which the objection is filed;
3. Claims of and reasons for the objection; and
4. The date on which the person was listed as a person whose financial transactions are restricted or on which the permission for the relevant financial transaction was denied.

(3) The Financial Services Commission shall make a decision on an objection within seven days from the filing date of the objection and notify the petitioner of the results thereof: *Provided*, That it may, if it is unable to make a decision within the prescribed period of time due to any unavoidable cause or event, extend the period of time up to seven days, beginning on the day immediately following the last day of the originally prescribed period of time, and shall notify the petitioner of reasons for the extension, the extended period of time, and other relevant matter in detail.

(4) The Financial Services Commission shall, when it makes a decision to accept an objection, immediately rectify the disposition as a person whose financial transactions are restricted or the denial of permission for the relevant financial transaction and notify the petitioner of such decision without delay.

(5) The Financial Services Commission shall, when it makes a decision of rejection or dismissal of an objection, clearly state grounds for such decision and methods and procedures for filing an objection thereto and

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notify the petitioner of the fact that he/she has a right to file for an administrative appeal or an administrative lawsuit, along with the notice of the decision under paragraph (3).

(6) The Financial Services Commission shall keep and maintain the records of the processing of each objection filed in the record book of processing of objections.

Article 4 (Imposition of Fines for Negligence)

(1) Guidelines for the imposition of a fine for negligence under Article 7 (1) of the Act are as provided in the annexed Table.

(2) The Financial Services Commission may abate or aggravate a fine for negligence by not more than one half of the applicable amount specified in the annexed Table, taking into consideration the degree of offense, frequency of offenses, motive and consequences of offense, and other relevant facts: *Provided*, That the aggravated amount may not exceed the maximum limit of the amount applicable to the fine for negligence under Article 7 (1) of the Act.

ADDENDUM <Presidential Decree No. 21115, Nov. 11, 2008>

This Decree shall enter into force on December 22, 2008.