

03 Blind Trust of Stocks

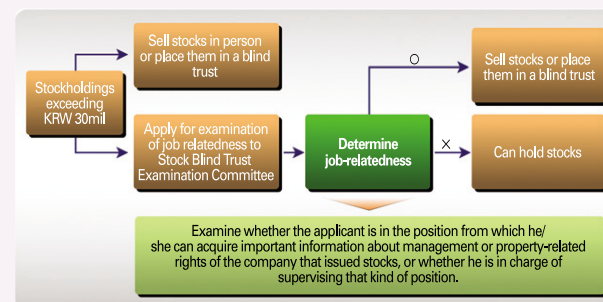
Target

- Stocks worth more than KRW 30 million owned by the following: obligators of property disclosure and grade 4 or higher government officials of Financial Services Commission (including spouse, lineal descendants and ascendants)

Method

- Public officials should sell their stocks or place them in a blind trust, or
- Apply for examination of job relatedness to the Stock Blind Trust Examination Committee (within 1 month). If job relatedness is acknowledged, they should sell their stocks or place them in a blind trust.

* Stock Blind Trust Examination Committee (9 members): 3 are recommended by government, National Assembly and the Chief Justice of the Supreme Court each.



Actions in case of violating regulations

- Subject to dismissal or disciplinary punishment, imprisonment (up to 1 year) or fines (up to KRW 20 million)

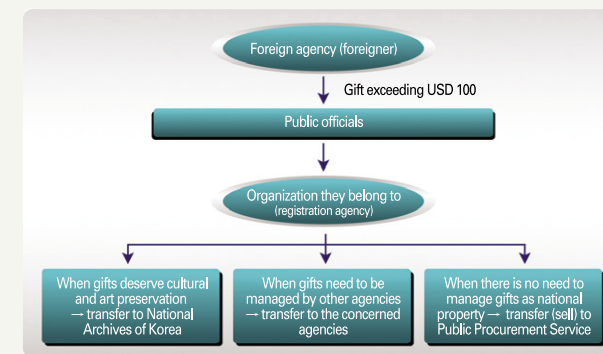
04 Gift Declaration System

Target

- Gifts exceeding KRW 0.1 million in value (USD 100) that all public officials (including families) received from foreign agencies (or foreigners) related with their jobs

Method

- A public official who received a gift reports this to the organization he/she belongs to, which in turn transfers the matter to a registration agency (within 30 days)
- Registration organizations transfer the gifts to National Archives of Korea or related organizations depending on their character.



Actions in case of violating regulations

- Subject to dismissal or disciplinary punishment.

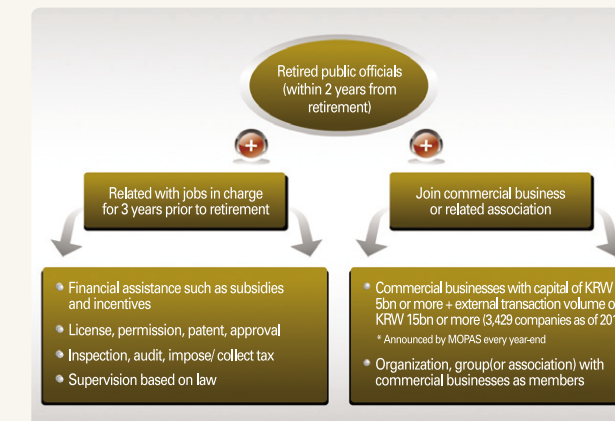
05 Employment Restrictions of Retired Public Officials

Target

- Retired public officials who used to register their properties

Description

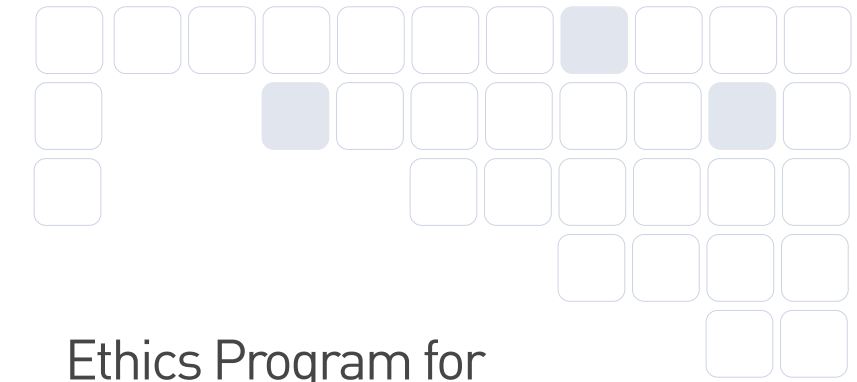
- Prohibited from being employed at a commercial business or related association whose work is closely related with public duties for 3 years prior to retirement; The restriction is also effective for 2 years after retirement.



* However, employment is approved from the Public Service Ethics Committee if its objective falls under any of the following: strengthen national competitiveness; promote public benefit; advance science and technology; improve management of the concerned company

Actions in case of violating regulations

- The employed : Dismissal, criminal punishment (imprisonment of up to 1 year, or fines of up to KRW 10 million)
- Company or association that refuses dismissal request: Fines of up to KRW 10 million



Ethics Program for Korean Public Officials



01 Objective & History of Public Service Ethics Program

Objective

- The program aims to instill a sense of ethics among public officials by preventing illegal property accumulation and securing fairness in carrying out public duties.
- Public Service Ethics Act stipulates property registration, disclosure and review, employment restrictions of retired public officials, blind trust of stocks and gift declaration system.

Instill a sense of ethics among public officials

- Prevent illegal property accumulation of public servants
- Secure fairness in carrying out public duties

- Property registration, disclosure and review
- Employment restrictions of retired public officials
- Report on Gifts
- Blind trust of stocks

History



02 Property Registration and Disclosure System

Application

- Registration: President, Prime Minister, lawmakers, local government heads, local council members, superintendents of education, grade 4 or higher government officials, judge/ public prosecutors, colonel or higher-ranking soldiers and executives of public service related organizations etc.
 - * Grade 7 or higher officials working for the police, fire services, tax office, audit and license/permission department for the public are also subject to registration.
- Disclosure: President, Prime Minister, lawmakers, local government heads, local council members, superintendents of education, grade 1 or higher government officials

Properties subject to registration

- Real estate, personal properties, receivables and payables of a public official, spouse, lineal ascendants and descendent

* However, when it comes to properties of lineal descendants and ascendants who can financially support themselves independently, it is possible to refuse their property registration after receiving approval from the Public Service Ethics Committee.

Category	Details
Real estate	ownership, superficies and right of lease
Rights corresponding to real estate	mining rights and fishing rights
Personal properties	cash, deposit, stock, receivables, payables, intellectual property right (KRW 10 million or more each) gold, jewelry, antique, membership (KRW 5 million or more each)cars, ships, airplanes and construction equipment
Others	shares contributed and stock option

Registration method

- Registration agency: Organization a registration obligator belongs to
- Registration period: Must report within 1 month from the starting date of being subject to property registration; Must report property changes in the previous year by every end of February
 - * Disclosure: Registered property is made public in official gazette within 1 month from registration due date
- Registration method: Register on the web-based system called PETI(Public Ethics Total Information System)
 - * PETI: Property registration and review can be processed at the same time; HR, finance, and real estate data are linked together

Review and follow-up actions

- Review agency : The Public Service Ethics Committee(in total 265)
 - * PSEC is set up in central and local government, National Assembly, Supreme Court, Constitutional Court and National Election Commission
- Review point : Examine whether all properties are registered correctly (without any omission or excessive reporting) and how properties have been accumulated.
- Follow-up Actions

Acknowledged	Actions
<ul style="list-style-type: none"> - deceptive registration - omission by grave mistake - false recording - financial gains by utilizing confidential information acquired while in office 	<ul style="list-style-type: none"> - warning or corrective measures - dismissal or disciplinary punishment (including expulsion) - fines of up to KRW 20 million ※ disclosure of false registration in the daily news papers can be charged with above 3actions