

Republic of Korea

Anti-Corruption Report



Anti-Corruption &
Civil Rights Commission

Preface



The Anti-Corruption and Civil Rights Commission (ACRC) is Korea's anti-corruption agency governing the country's corruption-prevention policies and national Ombudsman agency protecting citizens' rights and interests. Since its establishment in 2008, the ACRC has been committed to making a society free from corruption and rule-breaking and a trusted government that resolves difficulties of citizens caused by illegal and unreasonable administration.

In December 2020, the ACRC is going to host a virtual session of 19th the International Anti-Corruption Conference (IACC) in the Republic of Korea. The IACC is one of the biggest global anti-corruption forums sharing national and international anti-corruption measures and campaigns. In the run up to this meeting, the ACRC has released this publication to introduce Korean government's anti-corruption efforts to the world based on many countries' interest in Korean government's corruption fighting efforts and experiences of sharing its anti-corruption policies with many countries around the world.

In the year 2020, when the entire world has been having an economic and social difficulties due to the COVID 19 pandemic, Korea has emerged as an exemplary country in COVID 19 response with its effective prevention measures. As the President Moon Jae-in has once stated, the success of the prevention measures was attributed to the government's consistent and systemic guidance respecting the principles of

openness, transparency, and democracy and to the citizens who have followed such guidance voluntarily with a strong trust in government.

Like the coronavirus, corruption affects all countries around the world, so efforts to fight corruption requires efforts of the entire world. Openness, transparency, and democracy, the three principles crucial to the success of government's quarantine measures, are also the backbone and the basis of the anti-corruption policies that the Korean government has implemented.

This report describes the anti-corruption efforts that the ACRC and the Korean government has pushed so far. We hope that this publication could be a reference to anyone interested in Korea's anti-corruption efforts and also could be used for various policy development and research.

October 2020



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Chairperson

Anti-Corruption and Civil Rights Commission

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Part

I

**Introduction: History and Achievements
of Korea's Anti-Corruption Policy**

History of Anti-Corruption Policies & Institutions

Year	All government sector	ACRC
1983	<ul style="list-style-type: none"> Enforced Public Service Ethics Act 	
1998	<ul style="list-style-type: none"> Ratified OECD Anti-Bribery Convention Enacted Act on Preventing Bribery of Foreign Public Officials in International Business Transactions Enforced Official Information Disclosure Act Introduced Real-Name Government Policy System 	
2001	<ul style="list-style-type: none"> Enacted and enforced Act on Regulation and Punishment of Criminal Proceeds Concealment 	<ul style="list-style-type: none"> Enacted Anti-Corruption Act
2002	<ul style="list-style-type: none"> Developed and operated Korea On-Line E-Procurement System (KONEPS) 	<ul style="list-style-type: none"> Was launched as “Korea Independent Commission Against Corruption (KICAC)” Adopted Integrity Assessment and Anti-Corruption Initiative Assessment for Public Institutions Introduced Whistleblower Protection and Reward System Adopted Employment Restriction on Former Public Officials Dismissed for Corruption Charges
2003		<ul style="list-style-type: none"> Established and implemented Code of Conduct for Public Officials
2004	<ul style="list-style-type: none"> Operated Consultative Council of Anti-Corruption Affiliated Agencies (until '07) 	
2005		<ul style="list-style-type: none"> Was renamed as “National Integrity Commission” in Korean (English name kept as KICAC)
2006		<ul style="list-style-type: none"> Adopted Corruption Risk Assessment Introduced Integrity Consulting Program for Corruption-Prone Agencies
2008	<ul style="list-style-type: none"> Ratified United Nations Convention against Corruption Enacted and enforced Act on Special Cases Concerning the Confiscation and Return of Property Acquired through Corrupt Practices 	<ul style="list-style-type: none"> Was launched as “Anti-Corruption and Civil Rights Commission” (by integrating KICAC, Ombudsman of Korea and Administrative Appeals Commission under the Prime Minister)
2010	<ul style="list-style-type: none"> Enacted Act on Public Sector Audits 	

Year	All government sector	ACRC
2011		<ul style="list-style-type: none"> • Enacted and enforced Act on the Protection of Public Interest Whistleblowers • Established and implemented Code of Conduct for Local Assemblymen
2012		<ul style="list-style-type: none"> • Set up a dedicated integrity training institution “Anti-Corruption Training Institute” • Integrity Assessment for Public Institutions won UN Public Service Awards
2015	<ul style="list-style-type: none"> • Developed and operated a fiscal information disclosure service (Open Fiscal Data) 	
2016		<ul style="list-style-type: none"> • Enacted and enforced Improper Solicitation and Graft Act • Made integrity training mandatory for public officials
2017	<ul style="list-style-type: none"> • Operated Anti-Corruption Policy Consultative Council 	
2018		<ul style="list-style-type: none"> • Devised Five Year Comprehensive Anti-Corruption Plan • Formed and operated Private-Public Consultative Council for Transparent Society
2020	<ul style="list-style-type: none"> • Enacted Act on the Establishment and Operation of the Corruption Investigation Office for High-ranking Officials 	<ul style="list-style-type: none"> • Enforced Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits

Enactment of Anti-Corruption Law and Establishment of Anti-Corruption Commission

Before Establishing an Independent Anti-Corruption Body (1948~Early 1990s)

After the Korean War which broke out in 1950, Korea showed a phenomenal economic growth rate of 7–8% annually for around 30 years from the 1960s with the start of industrialization and to early 1990s.

However, over the course of such a rapid economic growth, transparency and ethical issues were relatively not put in priority. The society somewhat turned a blind eye to wrongdoing and corruption for the sake of the national growth, which sustained the occurrences of rule-breaking and wrong practices.

The Korean government put reform measures in place to detect and penalize the illegal activities with little improvement made on the negative consequences of the intensive economic growth such as the cozy relationship between the government and businesses.

Laying Ground for the Anti-Corruption System (Mid 1990s~Early 2000s)

In line with the global anti-corruption initiatives in the mid 1990s, such as the OECD Anti-Bribery Convention, Korea also started to join the anti-corruption efforts by upgrading its systems across society including business reforms in the face of the 1997 Asian Financial Crisis. Civil society organizations and academia, in particular, raised their voices in demanding the creation of an anti-corruption law and independent body to

prevent corruption, which successively became the agenda in the National Assembly.

Against this backdrop, the Anti-Corruption Act (equivalent to the current Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission, ACRC Act in short) was enacted in 2001 to prevent and effectively control corruption, and the Korea Independent Commission Against Corruption (KICAC) was launched in 2002. The KICAC was Korea's first independent body in charge of developing and implementing anti-corruption measures by improving laws and institutions as well as creating and carrying out policies necessary for fighting corruption.

Full-blown Anti-Corruption Activities (2002~2007)

With the establishment of the Anti-Corruption Act and the KICAC, the Korean government put a priority on preventing corruption and enhancing national integrity level, and began to upgrade anti-corruption systems nationwide. In addition, a two-pronged approach was promoted: one is focused on the prevention such as formulating government-wide anti-corruption policy, correcting corruption-prone institutions and laws, conducting integrity assessment, providing anti-corruption education and operating code of conduct for public officials, while the other is on the detection and the punishment, including receiving and handling corruption reports and providing protection and reward for whistleblowers.

Expanding Corruption Prevention Functions Linked to Citizens' Rights and Interests (2008~Present)

As President Lee Myung-bak took office in 2008, the Anti-Corruption and Civil Rights Commission of Korea (ACRC) was launched to pave the way for more effective governance by integrating previous three functions of corruption prevention, administrative appeals and ombudsman, which would oversee illegal or unreasonable administrative practices

as well as corruption and wrongdoing in the public sector.

From the perspective of people, the integration of various channels for protecting their rights and interests increased the accessibility and efficiency of the system. In particular, the integration laid the foundation for creating synergy effect between corruption prevention and protection of people's rights and interests as corruption, complaints, and administrative appeals are triggered in the process of public officials' illegal or unfair performing of their duties.

The ACRC has continued to cover and improve on what the preceding anti-corruption policies failed to address, by integrating the institutional improvement system for certain areas which are prone to corruption and complaints; enacting the Act on the Protection of Public Interest Whistleblowers, the Code of Conduct for Local Assemblymen on top of the existing Code of Conduct for Public Officials, the Improper Solicitation and Graft Act and the Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits (Public Funds Recovery Act hereafter); and working toward the enactment of Conflict of Interest for Public Officials Act.



Background of Moon Administration and Its Anti-Corruption Policy Direction

Background of Moon Administration

The Korean society was in anger from late 2016 to early 2017 due to a political scandal. Korean people took to the streets with candles in hand against then President's abuse of power and corruption. A series of government statements were not enough to end the candlelight vigils occurred in demand of the President's apology, and a number of citizens across the nation took part in the protests, asking for the President to step down.

As a result, the National Assembly underwent the constitutional process to approve the impeachment motion of the President, followed by the Constitutional Court's unprecedented ruling in the nation's constitutional history to uphold the decision. South Korea succeeded in transferring the political power through peaceful and democratic "Candlelight Revolution," which drew the attention of the international community.

The government of President Moon Jae-in came into power on 10 May 2017 with its commitment to build a nation that's truly a nation. What was behind the birth of the new administration was people's aspiration for a transparent country. One of the main reasons why voters sided with President Moon in the election was his campaign promise to root out corruption and bribery. The Moon administration, thus, was tasked with laying the foundations of the nation free of power abuse and corruption by having the spirit of the "Candlelight Democracy" taking its root across the society.

The government selected 20 administrative strategies and 100 initiatives under its vision of "a just nation in which the people are the owners." It demonstrated its commitment to anti-corruption and integrity by putting its top priorities on the initiatives of thoroughly and completely eliminating social ills, and realizing transparent Korea through reforms against corruption.



Candlelight vigil at Gwanghwamun
(Nov. 2016)



Moon Jae-in winning presidential election
(May. 10, 2017)

* Source: Yonhap News Agency

Anti-Corruption Policy Direction

The Moon administration put its highest policy priority on eliminating corruption. It aimed at strengthening systems of preventing corruption and protecting whistleblowers, and expanding citizens' supervision over and participation in executing the national budget in order to realize transparent Korea through reforms against corruption. In addition, the government set its goal toward the completion of reforms against corruption by tightening the punishment standards of serious corruption-related offenses and setting up the anti-corruption system in collaboration with the private sector.

As an agency that oversees the nation's anti-corruption and integrity policies, the ACRC created a system for implementing the policies, centered around both of the Anti-Corruption Policy Consultative Council, which is a government-wide platform for reforms against corruption and chaired by the President, and hosts the heads of anti-corruption agencies, including the ACRC chairperson; as well as the Private-Public Consultative Council for Transparent Society, which gathers different voices of the society, ranging from the business and professional communities, civil society, academia to the media. The Five Year Comprehensive Anti-Corruption Plan (2018-2022) devised in cooperation with government ministries and the Private-Public Consultative Council for Transparent Society is the Moon administration's medium to long-term roadmap against corruption. Under the plan, each ministry is well on track to carry out major anti-corruption initiatives such as enacting and implementing the Public Funds Recovery Act.



1st session of Anti-Corruption Policy Consultative Council (Sep. 26, 2017)



1st session of Private-Public Consultative Council for Transparent Society (Mar. 8, 2018)

* Source: Yonhap News Agency

Meanwhile, the government chose reforming institutions in power to make them that of and for the people as its 13th administrative initiative in order to press for democratic reforms for authorities in power to exercise their mandates for citizens, and to pave the way for a just nation by adjusting the power authorities exercise through checks and balances, and realizing justice. For example, the administration decided to set up the Corruption Investigation Office For High-ranking Officials to root out corruption committed by high-ranking officials, and to re-balance investigative power between the prosecution and the police to ensure that checks and balances work, as a part of its reform plan of the prosecution, on which some have raised questions about its political impartiality and independence in performing duties.

As a result, the Act on the Establishment of the Corruption Investigation Office for High-ranking Officials were enacted on 14 January 2020, and preparations are underway to establish the office, which will be in charge of investigation of and indictment over offenses committed by high-ranking officials, including President, members of the National Assembly, judges and prosecutors as well as their families. Furthermore, the National Assembly, on 13 January 2020, passed proposals to amend the Criminal Procedure Act and the Prosecutor's Office Act, designed to strip the prosecution of its authority to command the police over criminal investigations, grant the police the authority to close initial investigations, and limit the scope of prosecutor's direct investigations. Follow-up measures on the pass of the proposals are currently under development.

International Community's Evaluations of Korea's Integrity Level

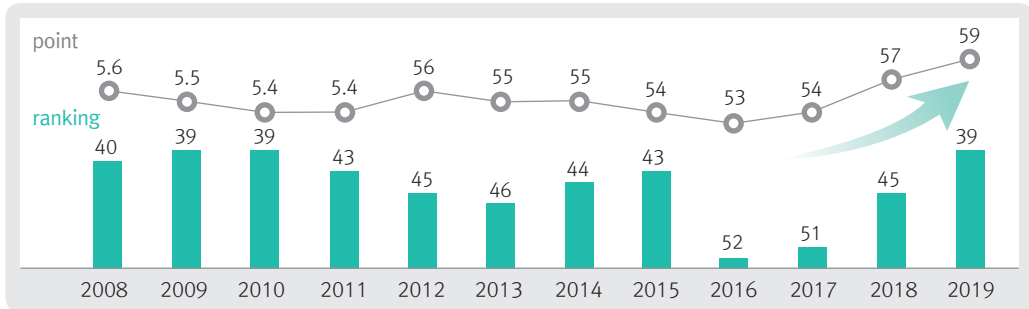
CPI Overview and Korea's Recent Performance

A globally recognized anti-corruption non-governmental organization Transparency International (TI) has announced its Corruption Perceptions Index (CPI) of nations every year since 1995. The index is designed to measure perceived levels of corruption in the public sector and political community, and is calculated after referring to the results of businessmen surveys and analyst evaluations among others. The CPI is widely adopted as one of the major indicators used in comparing corruption levels between countries.

The 2019 CPI released on January 23, 2020 scored South Korea 59 out of 100, and ranked Korea 39th among 180 nations, up 2 points and 6 ranks from the previous year. Korea has earned total 5 more scores and 12 higher ranks in the last three years of the Moon administration.

These positive evaluations of the international community can be attributed to the government-wide reforms against corruption performed from the outset of the Moon administration with citizens' aspiration for a society of integrity. However, the 39th place of the national integrity level still falls short of the expectations of the people. Therefore, to meet the administration's policy goal of scaling up Korea' global integrity ranks higher than the 30th by 2022 will require stronger and lasting government-wide policy against corruption.

Korea's CPI trend (2008~2019)



IPI Overview and Korea's Recent Performance

Berlin based European Research Centre for Anti-Corruption and State-Building (ERCAS) biennially releases the Index of Public Integrity (IPI) of nations since 2015. The IPI is a composite index that scores and ranks 117 countries with six components: judicial independence, administrative burden, trade openness, budget transparency, e-citizenship and freedom of the press.

The 2019 IPI announced last year scored South Korea 8.33 out of 10 and ranked it 20th among 117 countries, up 4 ranks from 2017.

* (2015) 8.04 points, 23th out of 109 countries ⇨ (2017) 8.02 points, 24th out of 109 countries ⇨ (2019) 8.33 points, 20th out of 117 countries

The components in which Korea showed the best performance were e-citizenship and administrative burden at 10 and 9.40 points, respectively.

Korea's IPI score in detail

Year	IPI		Judicial Independence		Administrative Burden		Trade Openness		Budget Transparency		E-Citizenship		Freedom of the Press	
	Score	Ranking												
2019	8.33	20	5.62	49	9.40	19	9.38	40	8.50	26	10.00	1	7.15	36
2017	8.02	24	5.44	53	9.61	10	8.97	36	8.50	26	8.28	16	7.30	34
2015	8.04	23	5.40	51	9.44	13	8.97	38	8.93	15	8.19	17	7.31	34

Bribery Risk Matrix Overview and Korea's Recent Performance

A U.S. based global anti-bribery business association TRACE International collaborated with the RAND Corporation, an established American think tank, to develop and annually update its Bribery Risk Matrix since 2016 in order to provide businesses with bribery risk information of nations around the world. The Matrix measures and scores 200 countries in four domains: Opportunity (Business Interactions with Government); Deterrence (Anti-Bribery Deterrence and Enforcement); Transparency (Government and Civil Service Transparency); and Oversight (Capacity for Civil Society Oversight, including the role of the media).

The 2019 edition of the Matrix was released last year to score and rank Korea 24 and 23rd among 200 countries, respectively, and place the nation the 3rd in Asia after Hong Kong (10th) and Singapore (12th). Korea performed the best in Transparency (20 points) and Oversight (24 points) domains.

Korea's Bribery Risk Matrix in detail

Year	Total		①Opportunity				②Deterrence			③Transparency			④Oversight		
	Score	Ranking	Overall	Interaction	Expectation	Leverage	Overall	Dissuasion	Enforcement	Overall	Processes	Interests	Overall	Free Press	Civil Society
2019	24	23	25	16	37	22	27	26	35	20	23	20	24	20	28
2018	24	25	25	-	-	-	25	-	-	22	-	-	26	-	-
2017	29	33	30	-	-	-	35	-	-	25	-	-	30	-	-



**Anti-Corruption Efforts and
Achievements in the Public Sector**

Oversight and Coordination of Anti-Corruption Policy

Operating Anti-Corruption Policy Consultative Council for Fair Society

Since its inception, the Moon administration has emphasized the values of fairness and anti-corruption by promoting equitable opportunities, fair processes, and just results, among others, and has developed a wide range of policy instruments and implementation schemes to uphold the values. For example, it reinstated the Consultative Council of Anti-Corruption Affiliated Agencies, which was in operation from 2004 to 2007 during Roh Moo-hyun's government, and complemented the body to launch the Anti-Corruption Policy Consultative Council.

The Council discusses agenda necessary for effective anti-corruption initiatives, including development and implementation of nationwide initiatives against corruption, government responses to corruption-related issues, monitoring and management of implementation of anti-corruption initiatives, and research and information sharing on corruption. The significance of the body is demonstrated in its central role of dealing with important policy items while presided by the President and participated by institutions involved in devising and carrying out anti-corruption policy such as the ACRC, Ministry of Justice, Ministry of the Interior and Safety, Fair Trade Commission, Financial Services Commission, Ministry of Personnel Management, Prosecutors' Office, National Tax Service, Korea Customs Service, and National Police Agency.

The Anti-Corruption Policy Consultative Council has so far convened six times during the Moon administration. In its fifth meeting, in particular, it changed its name to Anti-

Corruption Policy Consultative Council for Fair Society in order for more proactive discussions to improve fairness by reflecting the citizens’ perspectives and expectations toward a fairer society. The Anti-Corruption Policy Consultative Council for Fair Society is expected to further invite participation from the Ministry of Economy and Finance, Ministry of Education, and Ministry of Employment and Labor to cover broader agenda of improving fairness in the people’s livelihoods and economy on top of the fight against corruption.

Major agenda discussed at Anti-Corruption Policy Consultative Council meetings

Session	Major Agenda
1 st session (Sept. 26, 2017)	Korea, a nation free from corruption: discussed anti-corruption policy strategy; stronger punishment against grave crimes; measures against unfair acts related to livelihoods of citizens.
2 nd session (Apr. 18, 2018)	Korea, a country with the people: discussed five-year comprehensive anti-corruption plan; safety sector anti-corruption measures; measures against public sector power abuse; prevention of technology leakage; recovery of overseas criminal proceeds; prevention of offshore tax evasion.
3 rd session (Nov. 20, 2018)	Society without rule-breaking and unfair privileges: discussed ending academic irregularities; strengthening fairness in kindergartens; tackling hiring irregularities at public institutions; removing corruption in local areas; reconstruction/redevelopment related corruption.
4 th session (June 20, 2019)	Korea, a country without unfair privileges and full of fairness: discussed tackling tax evasion and delinquency by the wealthy; removing illegal acts of nursing facilities; improving accounting transparency and audit system in schools.
5 th session (Nov. 8, 2019)	Fair Korea, unceasing anti-corruption reform: discussed achievement and future direction of anti-corruption policy consultative council; measure to end privilege towards former judicial officers; measure to remove unfairness in the private education market; measure to establish a culture of fair employment in the public sector and spread the culture to the private sector.
6 th session (June 22, 2020)	Just Korea, overcoming national crisis with people: discussed anti-corruption achievements and future direction in the post-COVID19 time; sternly responding crimes that hamper overcoming crisis; rooting out unfair online platform transactions and others.



1st session (Sept. 26, 2017)



6th session (June 22, 2020)

* Source : Cheong Wa Dae (president.go.kr)

Establishing Five Year Comprehensive Anti-Corruption Plan

Corruption can occur in any institution or area, and manifests itself in different forms depending on a specific law, system, and practice of a nation, institution or organization as well as the culture in and outside the group. Thus, developing a roadmap that will provide an overall picture of corruption issues in different areas and types should precede anything else for effective prevention of corruption.

The ACRC, therefore, consulted relevant government ministries and the people through the Private–Public Consultative Council for Transparent Society to devise the government’s medium to long–term roadmap Five Year Comprehensive Anti–Corruption Plan right after President Moon took office for systematic implementation of Korea’s mid to long–term anti–corruption strategies. The Plan was announced during the second meeting of the Anti–Corruption Policy Consultative Council, which was chaired by the President and took place in April 2018.

Major tasks for 4 strategic areas in the Five-Year Comprehensive Anti-Corruption Plan

Strategies	Major contents among 50 tasks
Collective anti-corruption efforts	<ul style="list-style-type: none"> - Establishment of anti-corruption governance based on public-private cooperation - Implementation of anti-corruption policies government-wide through the Anti-Corruption Policy Consultation Council, etc.
Clean public sector	<ul style="list-style-type: none"> - Improvement in the public finance system to prevent budgetary waste - Establishment of stricter behavior standards including the Improper Solicitation and Graft Act - Establishment of a system preventing the conflict of private interest of public officials - Eradication of power abuse in the public sector - Enhancement of the effectiveness of property declaration of public officials
Transparent business environment	<ul style="list-style-type: none"> - Higher transparency in corporate accounting - Prevention of corrupt practices related to reconstruction and redevelopment; improvement of corruption control in health care
Putting integrity into action	<ul style="list-style-type: none"> - Facilitation of corruption and public interest whistleblowing, and reinforced protection for whistleblowers - Prevention of corruption cases related to safety based on engagement and cooperation - Wider adoption of the Transparent Society Pact - Reinforced integrity education for public officials and future generations

Among 2019 projects, major meaningful results of institutional improvement through introduction or revision of laws and regulations were shown in: preventing public fiscal waste through enactment of the Public Funds Recovery Act; developing a system to respond to corruption committed by those in power, including high-ranking officials through enactment of the Act on the Establishment and Operation of the Corruption Investigation Office for High-ranking Officials; and expanding the limits of certain activities and of employment in the safety sector by retired public officials through revision of the Public Service Ethics Act.

The Commission will continue to be devoted to completing government-wide reforms against corruption by successfully carrying out 50 projects.

Developing and Distributing Guidelines on Implementation of Anti-Corruption and Integrity Policy

In the beginning of each year, the ACRC develops Guidelines on Implementation of Anti-Corruption and Integrity Policy, and distributes the note to auditors and those in charge of integrity issues in government agencies on every level. It enables us to provide information required for implementing integrity initiatives, and thereby encourage each agency's voluntary anti-corruption efforts. Furthermore, the Commission is making sure of the implementation of government-wide anti-corruption activities without a hitch by sharing the government's overarching direction for carrying out policy against corruption through the guidelines.

Integrity Consulting for Corruption-Prone Agencies

All levels of public agencies are making voluntary anti-corruption efforts by developing and carrying out their own anti-corruption and integrity policies. However, for the policies to be effective, objective third party analysis on the characteristics of duties and issues of each agency is required. Integrity consulting services began in 2006 to target all public institutions, including central administrative agencies, local governments, education offices of cities and provinces, and organizations related to public service.

Although the services had been individually provided to each agency until 2017, a group consulting system was introduced in 2018 where multiple institutions come together in order for the ACRC to effectively meet the growing consulting demand every year, and share know-how of agencies showing high integrity level in the region. Mentor agencies with high levels of integrity and mentee institutions with low integrity levels are banded together to receive a group consulting service where they share ways to increase integrity levels and learn from each other's best anti-corruption initiatives.

The ACRC and mentor agencies assessed mentee agencies' competencies of fighting

corruption by looking at their duties, programs, implementation schemes of anti-corruption initiatives, internal control systems, behaviors of members in an attempt to understand what drove down their integrity levels. As the assessment results revealed corruption-prone areas and causes of low integrity levels, we accordingly developed measures tailored to each agency. Mentee institutions, particularly, benchmarked best anti-corruption initiatives shared by mentor agencies during the group integrity consulting session to reflect their own circumstances before adopting them. As a result, they were able to develop and implement more effective anti-corruption initiatives.



Analysis and Evaluation of Integrity Levels through Integrity Assessment and Anti-Corruption Initiative Assessment

Rationale behind Introducing IA and AIA

Effective implementation of anti-corruption policy first requires clearly identifying where corruption occurs and how serious it is, and building competences to execute the policy by putting institutions and systems to prevent acts of corruption in place based on the analysis. Anti-corruption policies in the public sector had been mainly centered around reactive measures such as detection and punishment. However, in 2002, in an effort to implement more proactive policies, the ACRC introduced the Integrity Assessment (IA) for public institutions that systematically evaluates corruption levels of institutions, and the Anti-Corruption Initiative Assessment (AIA) that supports public institutions to establish and implement appropriate policies against corruption. The Commission conducts assessments and evaluations, and releases the results every year.

Overview and History of IA for Public Institutions

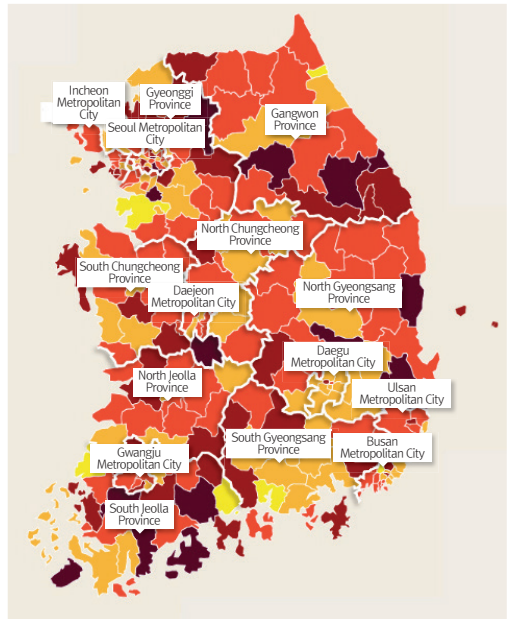
The assessment model of the Integrity Assessment for public institutions was developed in 1999, was tested three times, was adopted in 2002, and is conducting its 19th evaluation in 2020. Starting from 71 institutions in 2002, the scope of assessment targets has continued to broaden to assess some 700 public institutions every year since 2010. Public institutions that are subject to the assessment include central and local administrative agencies, education offices, and organizations related to public service among public institutions defined in the ACRC Act. In addition, the ACRC developed different assessment model tailored to the specific characteristics of local assemblies,

national and public universities, and public healthcare facilities in 2012 and 2013, and measures their integrity level every year. The IA was internationally recognized for its performance to win the first prize at the UN Public Service Awards in the category of corruption prevention in the public sector in 2012. Furthermore, other nations such as Indonesia and Mongolia benchmarked the assessment through bilateral cooperation projects in anti-corruption technical assistance, and are undertaking the assessment after adapting it to fit their own circumstances.

The integrity level of administrative agencies and organizations related to public service is calculated through the Comprehensive Integrity Assessment where the results of surveys on citizens who experienced public services (External Integrity) and their own employees such as public officials (Internal Integrity) are scored before points are deducted for occurrences of corruption in the institutions. Although in the early stages, the assessment was conducted only with the results of surveys answered by external service users, it started to include more subjects for surveys and deduct points for objectivity to be conducted in the way we do today since 2012. Surveys are made by phone or online, and responded by more than 250,000 people each year. As for occurrences of corruption, disciplinary measures on corrupt employees of agencies, media reports, audit information are considered when points are calculated and deducted.

The results of the assessment are shown in grades (1 to 5) and scores (1 to 10) while grade 1 and score 10 being the highest level of integrity. Assessment

Integrity levels of public institutions displayed on Integrity Map



results of public institutions are released every year through media reports or on the ACRC's or institutions' own websites along with the comprehensive integrity grade by agency type and the detailed results by assessment component. In 2018, the ACRC developed the Integrity Map on which the integrity assessment results are displayed to make it easier for citizens to understand the results.

Overview and History of AIA

The assessment model and components of the Anti-Corruption Initiative Assessment (AIA) that evaluates anti-corruption policy efforts and performances of public institutions were developed in 2002. Beginning with 74 institutions as the assessment target, the AIA steadily expanded the target to evaluate more than 250 public institutions each year on their performance in implementing anti-corruption initiatives since 2014. Institutions that are subject to the assessment include central and local administrative agencies, education offices, organizations related to public service big enough in certain scale, and national and public universities among public institutions defined in the ACRC Act. Since 2017, the ACRC links the subjects for AIA to those of Integrity Assessment for public institutions to exclude agencies with high integrity levels from the AIA target list while including those with low levels to the list.

Every year, the ACRC designs the evaluation system with components by considering key factors of integrity policies. When all levels of public agencies submit their year-long performances in implementing anti-corruption policies to the Commission, internal and external expert groups assess the performance according to the evaluation system to score and grade (1 to 5) each institution. In 2020, we created the evaluation system with 20 components comprising 16 sub-components in three domains of planning, implementation and performance/promotion aligned with the life cycle of an integrity policy, and 4 sub-components for deducting points. The assessment results for each institution are made public by various means, including media reports every year.

2020 AIA Components (excluding point deduction components)

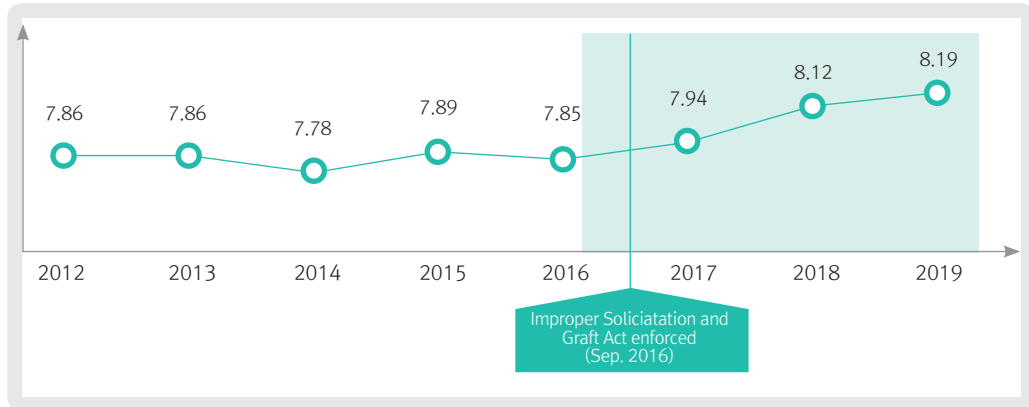
Planning (1)	Implementation (8)	Performance/Promotion (7)
<ul style="list-style-type: none"> • Development of annual anti-corruption implementation plans by each institution 	<ul style="list-style-type: none"> • Willingness and efforts of anti-corruption by the management level • Operation of civic participation initiatives for clean administration and management • Improvement efforts for corruption-prone areas • Implementation of the recommendations on institutional improvements in areas for corruption prevention • Enhancement of operation of Code of Conduct for Public Officials • Improvement of effectiveness of anti-corruption and integrity education, etc. 	<ul style="list-style-type: none"> • Increase of comprehensive integrity levels in institutions • Performance in conducting anti-corruption implementation plans • Activities to promote a culture of integrity • Efforts to share and publish anti-corruption information through Clean Portal, etc.

Outcome of Conducting IA and AIA

Integrity levels of public institutions are on the rise in general, and the comprehensive integrity scores, especially, have continued to rise since 2016 when the Improper Solicitation and Graft Act took effect. From 2012 when the Integrity Assessment system was reformed to 2016, the comprehensive integrity scores slightly fluctuated before going up for three consecutive years after 2016. Fewer citizens who received services in public institutions firsthand responded that they experienced acts of corruption, including offering money, gifts, entertainment or convenience, during the process of public service. Sharp drops are shown in the rates of corruption experience from 4.1% in the early stage of adopting the IA in 2002 to 1.8% in 2016 and 0.5% in 2019, demonstrating a culture of integrity is taking root in the public sector.

Score trend of Comprehensive Integrity Assessment

unit : point



Increases in integrity levels in the public sector reflect the results of faithful implementation of anti-corruption policies by public institutions at all levels with the support of the AIA. The 2019 AIA results show institutions that demonstrate better performance in the AIA from the year before have a higher point in the Comprehensive Integrity level by 0.12 on average to hover the score rise in IA levels of all institutions by, notably, 0.05 points. This indicates that the efforts made by institutions in developing and proactively carrying out systematic and highly effective anti-corruption plans have delivered positive impacts on the rises in their IA level.

The ACRC supports integrity efforts of public institutions in different ways, such as by providing incentives, including granting awards for best performing agencies, and by offering solutions to institutions with low integrity levels through the Integrity Consulting program. In addition, we are making efforts to promote a culture of integrity in the public sector and across the society as a whole through the promotion and dissemination of best integrity initiatives and examples of institutions.

Future Plans and Direction

To make the Integrity Assessment for public institutions evaluate more precisely, and encourage the agencies to make voluntary efforts for improvement, we at the ACRC are going to advance the assessment, scope of evaluation subjects, assessment components, model, among others, to make them more effective and elaborate. We will reinforce the assessment on areas where it is necessary, such as corruption-prone areas, and will take advantage of our 19-years of know-how and insights of relevant institutions and experts to conduct a comprehensive review of the assessment model to make sure that it would reflect the changing corruption environment. Furthermore, the ACRC will support in increasing efficiency of implementing integrity policy by adapting components of the Anti-Corruption Initiative Assessment. We will also continue to explore the ways to assess integrity levels of our nation at large, both the public and private sectors, through expansion of the assessment scope for corruption levels, based on the experiences of evaluating integrity levels of public institutions that we so far have had.

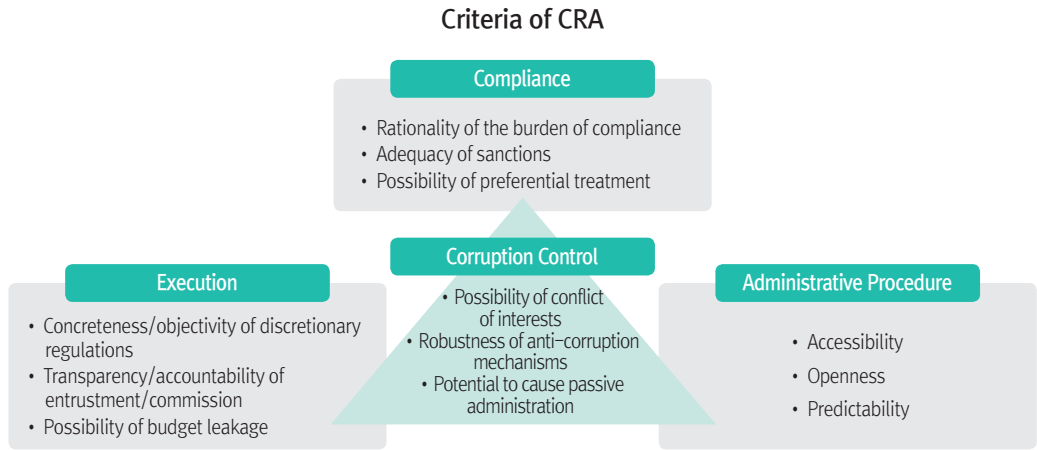


Overview of CRA

The Corruption Risk Assessment (CRA) is designed to prevent the occurrence of corruption in advance by systematically analyzing and evaluating corruption-causing factors in laws and regulations before delivering a recommendation to the relevant agency. There are four types of evaluation under the CRA: the assessment of the laws and regulations under an enactment or amendment process by central administrative agencies where the ACRC firsthand addresses corruption-causing factors in the early stages of legislation; the evaluation of existing laws and regulations to analyze and review corruption-causing factors before improving them; the assessment conducted by the agencies themselves to remove or modify corruption-causing factors in advance; and the evaluation of internal regulations in organizations related to public service. The first three evaluations were introduced with the revision of the Anti-Corruption Act on 29 December 2005, and officially began on 1 April 2006, while the evaluation of the internal regulation in organizations related to public service was adopted on 28 December 2007 and conducted since, and is made on demand by the institutions.

Assessment Criteria of CRA

The Assessment is conducted using twelve components in four criteria, which is illustrated below.



In light of the fact that “active administration” is required to adapt to the changing administrative environment while “passive administration” being equivalent to corruption, we added and started applying another assessment component “potential to cause passive administration” under the Corruption Control criteria of the CRA from September 2020. What we assess in detail for each component is demonstrated below.

► Compliance

Criteria	Details
Rationality of the burden of compliance	To determine whether the burden of compliance—such as cost or sacrifice that should be paid by the public, companies, or organizations, etc. in order to comply with duties stated in laws—is rational and not excessive compared to other similar laws
Adequacy of sanctions	To determine whether the content and level of sanctions on the violation of laws, etc. is adequate and not excessive compared to similar laws
Possibility of preferential treatment	To determine whether a preferential treatment or benefit could be created for a specific company, organization, or person due to the laws, etc.

► Execution

Criteria	Details
Concreteness/objectiveness of discretionary regulations	To determine whether laws related to discretionary power, scope, standard, and procedure, etc. are stated in a clear, definite, concrete, and objective manner; and to determine if there is a controlling tool for the prevention of excessive discretionary power
Transparency/accountability of entrustment/commission	To determine whether entrustment/commission conditions, scope and limitations, and selection procedures, etc. are clearly defined, and to determine if there is a managing/monitoring tool for securing accountability when consigning authority and duties to related public organizations or private associations
Possibility of budget leakage	To determine whether there is any overlap in financial aid—such as national subsidies—due to other laws, or whether there exists any budget leakage due to uncertain standards for aid, and to determine if there is any managing/monitoring tool for the prevention of budget leakage

► Administrative Procedures

Criteria	Details
Accessibility	To determine whether sufficient opportunities are given to stakeholders—including the public, companies, and organizations—during administrative procedures such as policy making and objection, and to check whether the representativeness of stakeholders is secured when collecting opinions
Openness	To determine whether content, procedure, and related information are sufficiently open to stakeholders and the general public
Predictability	To determine whether civil petitions can easily identify and predict necessary documents, actions, administrative procedures, handling periods, and results

► Corruption Control

Criteria	Details
Possibility of conflict of interest	To determine whether there is any standard, procedure, or post-control tool to prevent private interest during official works
Robustness of anti-corruption mechanisms	To determine whether it is necessary to adopt anti-corruption tools or laws in order to prevent corruption that may arise while implementing laws or policies
Potential to cause passive administration	To determine whether lack, etc. of legal provisions may cause passive work practice including public officials' nonperformance or dereliction of duty, thereby infringing the right and interest of the public or incurring a financial loss to the nation.

Key Achievements of CRA

During the period of 1 April 2006 to 31 December 2019, the ACRC conducted the Corruption Risk Assessment of a total of 20,542 laws and regulations being legislated or revised to identify 5,880 corruption-causing factors in 2,413 laws and regulations, and recommended relevant agencies to make improvements.

Statistics of new & amended bills assessed (Apr. 2006~ Dec. 2019)

Total number of bills assessed	Agreement on the original bill	Recommendation for improvement
20,542 (100%)	18,129 (88.3%)	2,413 (11.7%) with 5,880 recommendations

To look at the laws and regulations assessed by type, Presidential Decrees took up the biggest share at 9,116 (44.4%), followed by Ordinances of the Prime Minister or Ministries at 7,478 (36.4%), and Acts at 3,815 (18.6%). As for the types of laws and regulations on which the Commission delivered recommendations, there were 1,130 (46.8%) Presidential Decrees, followed by 645 (26.7%) Acts, and 608 (25.2%) Ordinances of the Prime Minister or Ministries.

Statistics of CRA by type of statutes (Apr. 2006~ Dec. 2019)

Statutes \ Type	Total	Act	Presidential Decree	Ordinances of Prime Minister or Ministers	Others
Total	20,542 (100%)	3,815 (18.6%)	9,116 (44.4%)	7,478 (36.4%)	133 (0.6%)
Recommendation for improvement	2,413 (100%)	645 (26.7%)	1,130 (46.8%)	608 (25.2%)	30 (1.2%)
Agreement on the original bill	18,129 (100%)	3,170 (17.5%)	7,986 (44.1%)	6,870 (37.9%)	103 (0.6%)

To break down the laws and regulations on which the ACRC delivered recommendations by area, there were 1,890 recommendations for improvement made on 748 laws and regulations in the industry and development sector, which received the biggest number

of recommendations, 1,200 recommendations on 513 laws and regulations in the environment and healthcare, and 780 recommendations on 340 laws and regulations in the general administration.

Statistics of CRA by area (Apr. 2006~ Dec. 2019)

Area	Total	General administration	Education & culture	National defence & veterans' affairs	Finance & economy	Industry & development	Science & information	Environment & healthcare	Criminal matters & justice	Others
Number of statute	2,413 (100%)	340 (14.1%)	309 (12.8%)	127 (5.3%)	174 (7.2%)	748 (31.0%)	135 (5.6%)	513 (21.3%)	60 (2.5%)	7 (0.3%)
Number of recommendation	5,880 (100%)	780 (13.3%)	762 (13.0%)	268 (4.6%)	466 (7.9%)	1,890 (32.1%)	380 (6.5%)	1,200 (20.4%)	122 (2.1%)	12 (0.2%)

A number of countries are exploring the adoption of the CRA that identifies and improves corruption-causing factors in laws and regulations in advance. In fact, some nations such as Indonesia, Mongolia and Myanmar introduced the Assessment and are conducting it to fit their own circumstances.

Indonesia and Vietnam began carrying out the CRA in 2009 and 2016, respectively, and the Assessment was presented to the World Bank and the Rutgers Institute on Anti-Corruption Studies (RIACS) in 2018.



Visit to World Bank (2018)



Visit to the RIACS (2018)

CRA of Corporate Rules of Organizations Related to Public Service

As the ACRC Act was amended on April 16, 2019 and took effect on October 17, 2019, the ACRC was granted the authority to assess the internal regulations of public institutions as well as local government–invested public corporations and local government public corporations. On February 24 2020, the Commission announced its plan to examine unfair and unreasonable corporate rules in 491 organizations related to public service at once for the following three years. Our 2020 plan is to investigate a total of 187 institutions (36 public enterprises and 151 local government–invested public corporations and local government public corporations), focusing on unfair and unreasonable regulations that might cause abuse of authority or discretion with regard to contracts signed between the institutions and private entities, and other major duties. In June 2020, we undertook the CRA of 2,277 corporate rules of 18 public institutions in the energy sector to develop ways to improve 60 rules in 18 different categories such as fair burden sharing in paying electronic revenue stamps. In July 2020, we carried out the Assessment of 816 corporate rules of 8 public institutions in the air and sea port sector to provide improvement recommendations for 53 rules in 13 categories such as changing the rule not to charge excessive amounts when canceling or withdrawing from the contract of the use of port facilities. By September 2020, total 398 recommendations have been made after reviewing 12,161 corporate rules of 52 public institutions.

Objectives of Information Disclosure

The information disclosure system aims to guarantee citizens' right to know, and secure engagement of citizens in state affairs and transparency in the national administration by making information that public agencies keep and manage widely available to the people.

In Korea, the Official Information Disclosure Act was enacted and promulgated on December 31, 1996 before coming into effect on January 1, 1998, which was the 13th in the world and first in Asia to adopt a system to disclose information. To provide the people with better access to information, the Ministry of the Interior and Safety built an online information disclosure system (www.open.go.kr), which is designed to boost convenience for citizens, to make the users find it easier to file an information disclosure request on the internet. The information disclosure system in Korea has become more proactive as demonstrated in that public agencies now provide data more actively and in advance by prior announcement of information, or original texts of data.

Summary of Information Disclosure

The Official Information Disclosure Act defines information as matters recorded in documents (including electronic documents), drawings, pictures, films, tapes, slides, and other media corresponding thereto, excluding the matters disposed due to expiration of retention period or the ones no longer kept or managed.

Institutions subject to information disclosure include state agencies, local governments, public institutions under Article 2 of the Act on the Management of Public Institutions, and other institutions prescribed by Presidential Decree that include educational institutions at all levels, such as kindergartens, elementary, middle and high schools, and universities, local government–invested public corporations and local government public corporations under the Local Public Enterprises Act, and government invested and funded institutions under the Act on the Operation of Local Government–Invested or–Funded Institutions.

Any Korean citizen can request information disclosure, including minors, nationals abroad, people incarcerated and legal persons. Legal persons, here, refer to incorporated associations and foundations, government–funded institutions, and bodies and institutions without legal personality such as alumni associations. Foreigners who reside with a certain address or are temporarily staying for the academic or research purpose in Korea, and foreign corporate bodies and foundations that have office in Korea are eligible for a claim to information disclosure.

A request to access information undergoes the procedures of reception (or transfer), gathering opinion of a third party (if any), decision for disclosure, and disclosure. Remedial procedures when dissatisfied with a decision for information disclosure include raising objections, administrative appeals, and administrative litigations.

All information kept and managed by public institutions is subject to disclosure to the public. However, information deemed likely to undermine national security, personal information, information pertaining to management and trade secrets of corporations, and other information subject to non–disclosure as prescribed in each subparagraph of Article 9–1 in the Official Information Disclosure Act may not be disclosed. Nonetheless, when any information subject to non–disclosure is no longer needed to be kept secret on the grounds of the passage of a fixed period, etc., the relevant information shall become subject to disclosure to the public.

When any information requested for disclosure is produced by other public institution, the institution should be consulted. When any public institution recognizes that information, the disclosure of which is requested, pertains, in whole or in part, to a third party, the public institution shall inform the third party of the fact without delay and may, if necessary, hear his or her opinions.

Status of Information Disclosure Claims and Efficient Operation of the System

The number of claims for information disclosure is steadily rising. In 2019, 1,439,415 claims were received, up 35.1% from 1,065,549 cases in 2018. The number of claims received in 2018 was around 55 times higher than it was in 1998 at 26,338 when the Official Information Disclosure Act took effect.

The information disclosure rates (including partial disclosures) have been maintained at around 95% since 2012. To look at the result of handling 846,953 claims, excluding cases of withdrawing requests by applicants or being transferred as a civil complaint, out of 1,439,415 cases in total received in 2019, 82% (690,557) of claims resulted in full disclosure while 13% (109,836) in partial closure and 5% (46,560) in non-disclosure.

Statistics of information disclosure claims

Category	1998	2013	2014	2015	2016	2017	2018	2019
Disclosure rate (A/B)	94.7%	95.8%	95.6%	96.1%	95.6%	95.5%	95.1%	94.5%
No. of disclosure (A)	24,128	349,516	364,661	440,016	481,812	538,466	638,726	800,393
No. of claim (B)	25,475	364,806	381,496	458,059	504,147	563,597	674,504	846,953

The Ministry of the Interior and Safety conducts a comprehensive assessment of information disclosure on 580 public institutions, including central administrative agencies, local governments and public enterprises, for efficient operation of the system since 2019, and the results are made public.

In the 2019 assessment, the assessment committee comprising experts and citizens conducted evaluations by criteria of prior announcement of information, disclosure of the original text, handling claims to make information public, applicant management, etc., which was designed to understand the overall levels of information disclosure in the institutions. The Ministry will advise some agencies found to be under-performing, to prepare a plan for improvement measures to ensure that the information disclosure system in public institutions can better run.



Overview of Real-Name Government Policy System

The real-name government policy system is designed to record, manage and disclose the names and opinions of individuals who engaged in major policies that are developed and implemented by administrative agencies in order to increase transparency and accountability over the policies. It finds its legal basis in Article 3 and 63 to 63-5 of the Regulation on the Promotion of Administrative Efficiency and Collaboration (Presidential Decree), and is applicable to central administrative agencies (including offices of the President and Prime Minister) and affiliated institutions as well as local governments. The system was introduced in 1998, and began to be digitally managed with the adoption of a business management system On-nara (literally means “across the nation”) in 2007. In 2018, the real-name government policy upon citizen request system was introduced and has been operated on a quarterly basis with the revision of the Regulation on the Promotion of Administrative Efficiency and Collaboration.

Summary of Real-Name Government Policy System

Selection and Disclosure of Projects to be Managed as Priorities

Of all public projects subject to the real-name government policy system, some are selected for priority management after a deliberation board examines them according to the selection criteria for each type, such as Presidential agenda, projects requiring large-scale budgets and services, enactment and amendment of major laws and regulations, citizens’ request, etc. Details of the selected projects are made public on reports,

including the name, background, overview, department in charge, selection criteria, and other project specifics.

The project reports are published first in the real-name government policy system tap on the website of each institution, and opened to the public. In addition, if any project is conducted by a central administrative agency, the report is published along with the institution's overall project report on the Information Disclosure website (www.open.go.kr). In this case, the agency should make sure citizens can better understand the progress of the project by providing a list of information relevant to the project.

Operation of the Real-Name Government Policy upon Citizen Request System

Citizens can use the real-name government policy upon citizen request system to apply for selecting a public project to be managed as a priority under the real-name government policy system. The system was introduced in 2018 with the revision of the Regulation on the Promotion of Administrative Efficiency and Collaboration to provide the people access to the details and progress of public projects about which citizens may need more information. Each public institution voluntarily receive applications in every quarter, and citizens can apply by email addressed to the person in charge informed on the website of each institution, visit, post, or through Document 24 (www.open.go.kr), which is a website for sending an official document to an administrative agency.

When an citizen request application is submitted, it becomes one of the candidates for priority management projects. Then the application will be reviewed by the deliberation board of the real-name government policy system along with other projects, to be selected and made public.

Key Achievements of Real-Name Government Policy System

In 2018 and 2019, 2,044 (981 of central agencies and 1,063 of local governments) and 2,107 (1,012 of central agencies and 1,095 of local government) projects, respectively, were selected for priority management and made public. In 2019, particularly, of 124 applications received through the real-name government policy upon citizen request system, 81 projects were selected to be made public, including the ones that are closely linked to the lives of the people that citizens might want to learn more about, such as Expansion of Programs Using Local Cultural Assets (Cultural Heritage Administration) and Utilization of PyeongChang Olympics Facilities after the Games (Gangwon Province).

The selection and management of projects for priority management under the real-name government policy system are raising more interests of citizens in the government policies, and contributing to secure transparency of administration and accountability of relevant public officials.

Projects Selected to be Subject to Priority Management Under Real-Name Government Policy System in 2019

	Total of 2019	Presidential agenda & major issue	Citizens' request	Heavy budget invested	Major laws and regulations	Total of 2018
Total	2,107	758	81	833	177	2,044
Central Administrative Agencies	1,012	485	67	273	52	981
Local Governments	1,095	273	14	560	125	1,063

Future Plans and Direction

The Ministry of the Interior and Safety is continuing to take measures including promotion of the real-name government policy upon citizen request system and expansion of engagement channels, to encourage more people to participate in the process of selecting projects for priority management. In particular, from the third quarter of 2020, application and reception for the real-name government policy upon citizen request system are available on a citizen participation platform, Gwanghwamoon 1st Street. More channels and various on- and off-line promotion activities are expected to vitalize the real-name government policy upon citizen request system.



Operating Participatory Budgeting

The government has run Participatory Budgeting since 2018 where citizens are directly involved in the budgeting process by suggesting projects to allocate the budget in order to increase transparency in running the national budget through the engagement of the people in the fiscal planning.

In the second year of operating the system in 2019, in light of the need for better engagement of the public as well as firm establishment and stabilization of the system, we pushed forward with our efforts to improve it, putting our emphasis on expanding public participation and fostering communication.

First, the government increased the access to the system, and expanded the scope of the engagement and the number of participants, for more people to find it easier to be involved. We expanded the scope of proposal made by people to include the improvement of existing projects, and adopted the “public engagement approach in solving problems” designed to seek solutions to a variety of social issues by inviting citizens to public debate, while running a pilot program of on-site monitoring group to enhance public engagement in the execution process. Furthermore, public representation was strengthened as the number of participants in the system and of respondents to the public preference survey was expanded from 300 to 400 and 1,000 to 2,000, respectively.

Next, we made a wide range of efforts to facilitate communication between the people

and the government. While notifying the progress of discussion on people's proposal and its review result, and disclosing the quarterly progress of project implementation, in order to expand the information provision, the government increased opportunities to gather various opinions of citizens by operating its website and Facebook account.

Moreover, the government improved the operation process of the participatory budgeting system to faithfully reflect different voices of the people and on the ground. We tried to address the blind spots in making project proposals, including for people without access to the internet, by allowing people to submit the proposals at all times and running the outreach team to collect proposals on-site. Thanks to these efforts, the number of proposals made by the people grew 16% from 1,206 in 2018 to 1,399.

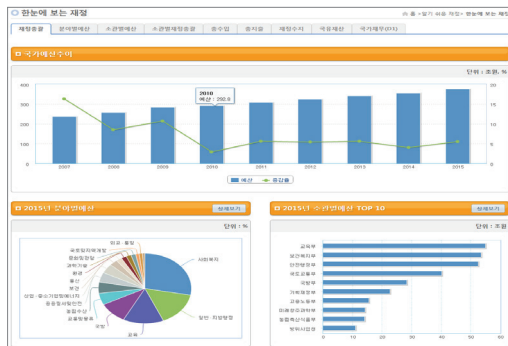
In addition, the government identified new budget projects which are either closely linked to citizens' lives, such as supporting pregnant women with eco-friendly agricultural products, or designed to help the vulnerable, such as the Community-Based Childcare Program, making a considerable achievement in quality by enhancing the quality of our people's lives while relieving inconvenience and difficulties. We also continued the 2019 projects proved to be effective, to be reflected in the 2020 budget, which demonstrates that the participatory budgeting system can provide an channel for the government to identify and expand projects through pilot projects.

Operating Open Fiscal Data

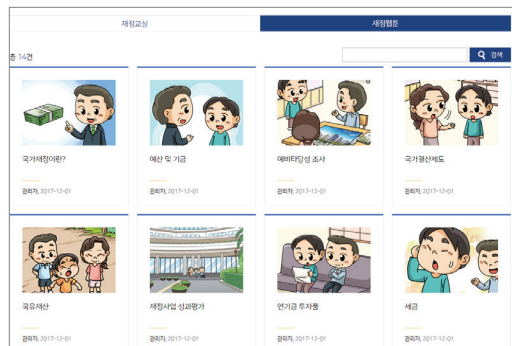
The Korean government, in December 2014, built a website Open Fiscal Data (www.openfiscaldata.go.kr) that discloses budget allocation as well as execution and settlement details to increase transparency in operating the national budget. The site was tested in May 2015, and is now providing fiscal information disclosure services to the public since July.

Open Fiscal Data offers fiscal information along with different visualizations, including

tree-maps, bar charts and motion charts, to allow for the general public to understand the overall fiscal picture without having expertise in finance. Citizens can also take advantage of the personalized search function that are tailored to an individual's life cycle stage, gender, interests, among others in finding information about financial support needed in daily life, such as health and medicine, employment and starting a business, and education. The website also provides detailed statistical analysis designed to meet specific needs of scholars and public officials in charge of fiscal policy.



Visual materials provided



Webtoons explained for difficult terms

In January 2018, the government overhauled Open Fiscal Data to increase the quantity and quality of open fiscal information, and change the disclosure process from a supplier-centered to a consumer-centered one. Our efforts to faithfully deliver fiscal information include: the increase of types of fiscal statistics made public on the website from 120 to 160; provision of visualizations including graphs and infographics on top of figures; and explanation of difficult fiscal terms via webtoons. Furthermore, in order to cater to specific characteristics of data consumers instead of providing one-size-fits-all type information, the home page of the site now presents three different links: one for the general public, another for researchers, and the other for personalization. We also made major external web portals to better expose the search word “open fiscal data” in an attempt to provide citizens with easier access to the information.

Part II

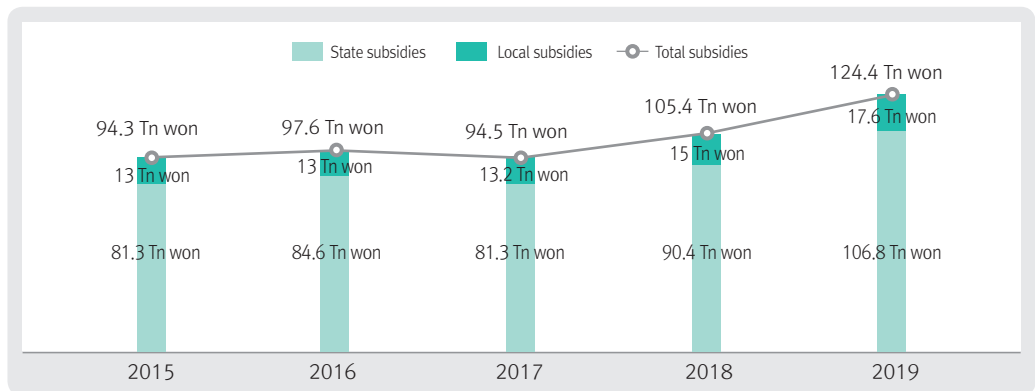
07

Enactment and Enforcement of the Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits

Rationale behind Enactment

With a series of fraudulent claims for public funds and an increase in the government's obligatory spending on the welfare budget, the ACRC has pushed forward with the enactment of a general law on the recovery of and sanctions on fraudulent claims for public funds since 2014.

Upward Trend of State and Local Subsidies



In the complete enumeration survey conducted by the ACRC in April 2018 on 1,446 laws, 913 were found to have a legal ground for support from public finances (3,379 provisions). Among them, 138 had a provision for recovery in the case of fraudulent double claims, and only 21 had similar provisions such as additional sanctions imposed as a financial penalty, on top of the recovery of the falsely claimed funds. In other words, only some 15% of subsidies that have a legal ground for support from public finances

had recovery provisions when claimed falsely. Other types of subsidies, in particular, that are given on the ground of ordinances or other local statutes found not to have any provision to be recovered when fraudulently claimed.

Against this backdrop, since 2014, the ACRC has pushed forward with the enactment of a general law on the recovery of and sanctions on fraudulent claims for public funds. On 16 April 2018, the Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits (Public Funds Recovery Act in short) was enacted and took effect on 1 January 2020.

Summary of the Act

The Public Funds Recovery Act stipulates that relevant public institutions recover the entire amount of the unfair gains and interests from the following four types of fraudulent claims: unqualified or excessive claims for public finance payments such as subsidies, rewards and contributions; use of the funds for any purpose other than the specified purpose or use; and erroneous payment of the funds. In the case of unqualified and excessive claims for, as well as the misuse of public funds, the Act states that additional sanctions of up to five times that of the recovered amount be imposed on top of the recovery of gains.

In addition, the Act stipulates that the competent administrative agency disclose the list of those who make fraudulent claims in large amount or on a habitual basis, and allows the ACRC to check and inspect the implementation status of the recovery of illicit gains and imposition of additional sanctions. The Act provides thorough protective measures for whistleblowers to make sure that they do not face any disadvantages as a result of the act of reporting, and that their personal safety is guaranteed. It also specifies rewards for whistleblowers to facilitate reporting on fraudulent claims for public funds.

Future Plans

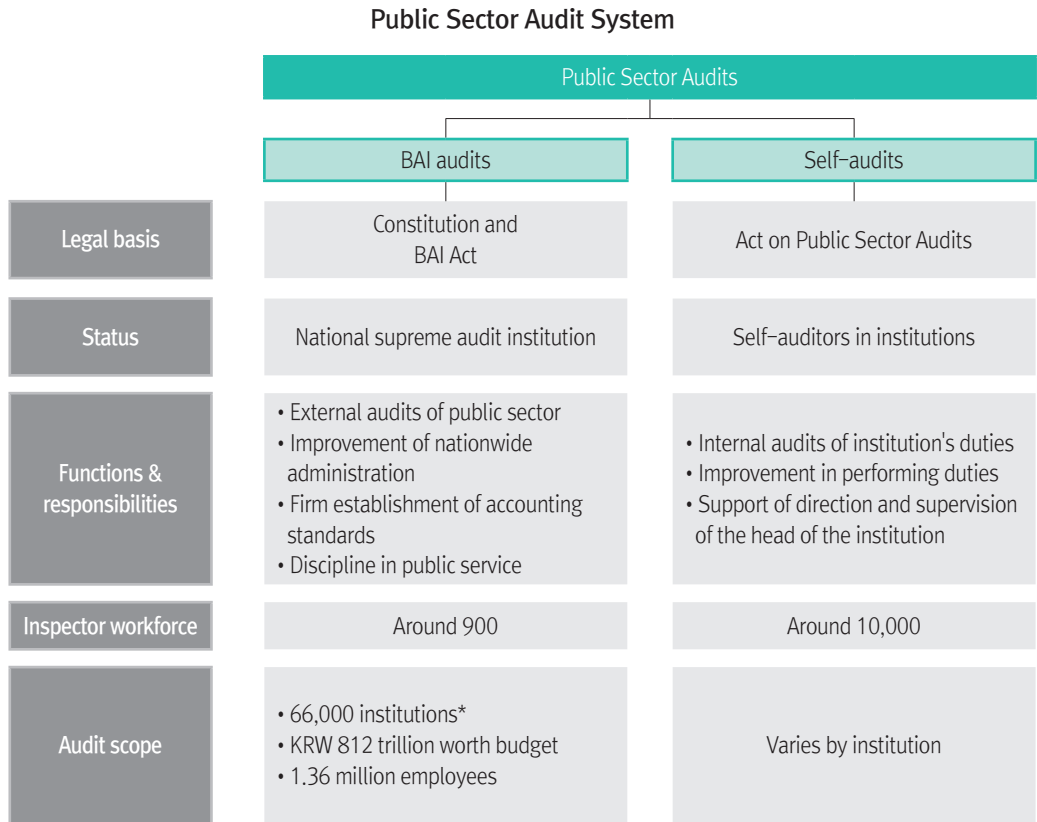
The Commission will thoroughly implement the Act through investigations of the current state and the implementation of the law at all levels of administrative authorities to fundamentally change the wrong perception of considering public funds easy money by firmly establishing the system to retrieve subsidies that are falsely claimed. We expect this will serve as a turning point for the national budget management system to meet the objectives of enacting the law, which are to prevent public budget waste and increase efficiency of the funds.



Public Sector Audit System

Korea's public sector audits are performed by the Board of Audit and Inspection (BAI) and auditors in central administrative agencies, local governments and other public institutions. The BAI is the nation's supreme audit institution established according to the Constitution and the Board of Audit and Inspection Act (BAI Act). On the other hand, self-auditors are bodies that are set up in central administrative agencies, local governments and other public institutions in accordance with Article 5 of the Act on Public Sector Audits as well as laws and regulations regarding organization setup of each institution to conduct self-audits by investigating, inspecting, identifying, and analyzing all the duties and activities carried out by its own institution and employees, and reporting the results.

As the country's supreme audit institution, the Board has provided support for self-auditors to perform their duties in a systematic way, and therefore, devoted to maximizing the audit capacity of the nation as a whole. In particular, we achieved in enacting and enforcing the Act on Public Sector Audits in July 2010 to make public sector audits efficient and improve the operation of self-audits.



* No. of institutions includes compulsory and optional inspection targets, while budget and No. of employees include mandatory inspection targets only (source: 2018 Audit Yearbook)

Significance of the Act on Public Sector Audits

The Act on Public Sector Audits, with improving public sector audit system as its core value, was legislated on 22 March 2010 before coming into force on 1 July the same year. The enactment is contributing to advances in self-audits of the public sector in two ways.

First, the legislation of the law formed a clear legal basis for self-audits in the public sector. Although BAI audits have been performed based on the Constitution and BAI Act, the setup and implementation of self-audits had weak legal ground of institutions'

internal rules prepared as a way of supervising over their own duties. However, the enactment and enforcement of the Act on Public Sector Audits and its Enforcement Decrees laid clear legal foundations of the operations and activities of self-auditors in public institutions.

Second, the Act paved the ways of gaining more independence and expertise in self-audits in the public sector. Self-audits had been criticized for lacking enough independence and expertise while being, most of the time, under the control of the head of agencies, and leading to tolerant and arbitrary inspections and poor audits due to the absence of appropriate standards and procedures of inspection in place. Therefore, the Act on Public Sector Audits was enacted to establish institutions and procedures for more independence and expertise of self-audits that include: open recruitment of and granting corresponding rank to the self-audit director; rules on auditors including their appointment, requirements, disqualifications and preferential treatment in performance assessment; engagement of outside experts in inspection; and provision of professional audit training, which laid the foundations of improving self-audits and establishing an independent audit system in the public sector.

Achievements of Public Sector Audit System

In accordance with the Act on Public Sector Audits, the Board is providing a supporting environment that enables effective and efficient self-audits by developing and carrying out comprehensive measures to improve inspection, and building the Public Audit Information System (PAIS) to facilitate knowledge and information sharing between self-auditors. Not only that, we also are examining the work of self-auditors to help improve self-audits and increase the nationwide inspection capacity.

In addition, the BAI has achieved tangible outcomes of the legislation of the Act on Public Sector Audits where, as of January 2020, 479 out of 669 public institutions (46 central ministries and agencies, 258 local self-governing bodies and 365 public organizations)

subject to the law have set up the bodies solely in charge of self-inspection, and 494 institutions have hired self-audit directors through the open recruitment process.

Current Status of Self-Auditors Subject to the Act on Public Sector Audits

As of January 2020

		Self-auditing bodies		Self-audit director			No. of inspectors	No. of person subject to audit
		Dedicated	Non-dedicated	Hired through open recruitment	Appointed	Vacant		
Total (669)		479	190	494	155	20	10,992	1,408,431
Central administrative agencies (46)		35	11	34	10	2	3,368	284,624
Local self-governing bodies (258)	Regional governments (16)	16	-	14	1	1	1,079	100,401
	Education offices (16)	16	-	15	-	1	779	339,727
	Local governments (226)	106	120	80	144	2	2,530	229,249
Public organizations (365)	Public enterprises (36)	36	-	34	-	2	975	138,866
	Quasi governmental organizations (93)	88	5	91	-	2	911	110,256
	Others (236)	182	54	226	-	10	1,350	205,308

* Source: data on PAIS





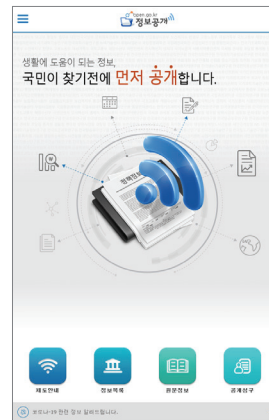
Korea's ICT and Anti-Corruption

Overview of Information Disclosure Portal

Information Disclosure Portal (www.open.go.kr), designed to promote citizens' right to know and increase transparency in administration, was built in 2006 to now have a six million user base per annum. It features a wide range of services, including information disclosure prior to request, provision of information lists, sharing of the original text of documents, and reception of requests for disclosure, and facilitates information services provided by central administrative agencies, local self-governing bodies and public organizations that amounts to 2 billion lists of information, 6.38 million units of original text, information disclosure to 1.1 million requests annually.



Information Disclosure Portal



Mobile disclosure

Key Services of Information Disclosure Portal

Information disclosure prior to request

Public institutions announce information in advance, which attracts a widespread interests among the people and needs to be shared, including policies closely linked to citizens' lives and projects invested with massive amounts of the national budget, before any claim is made for disclosure. These sets of information published on the website of each institution are sorted out by institution and subject type on the Portal along with lists of information and URLs to the data source for user convenience.

No. of linked data sources provided for information disclosure prior to request

(As of Dec. 2019)

Category	Total	Central administrative agencies	Local governments	Educational offices	Public organizations
Total	714	48	247	17	402
No. of sources provided	200 thousand	30 thousand	107 thousand	20 thousand	43 thousand

Sharing of the original text of documents

It provides the publically available original text of the documents as were approved by central administrative agencies, local self-governing bodies and public organizations. With an interface with the business management (e-document approval) system of each institution, citizens can read the original content of the document without making any request for disclosure. More and more institutions have come to be subject to the provision of this service from central administrative agencies and regional governments in 2014 to local governments and education offices in 2015 to other public organizations in 2016, and 614 public institutions are currently offering the service.

No. and rate of disclosure of original text

(As of Dec. 2019)

Category	2014	2015	2016	2017	2018	2019
No. of organization	134	484	603	609	613	614
No. of disclosure of original text	420 thousand	6.95 million	5.80 million	5.20 million	4.59 million	6.38 million
No. of downloading original text	470 thousand	940 thousand	2.28 million	3.34 million	4.22 million	4.24 million

Provision of information lists & reception of requests for disclosure

Users can view or search lists of document information produced in central administrative agencies, local self-governing bodies and public organizations by institution type. When they want to know more about a certain document, citizens can select one from the list to make a request for disclosure, or make a separate inquiry by typing the claim details on their own.

No. of information list

(As of Dec. 2019)

Category	2014	2015	2016	2017	2018	2019
Total	54,897	178,662	192,744	207,608	176,432	206,393

Once receiving a claim for information disclosure, a public institution can examine if the requested information can be made public through the Information Disclosure System, decide whether to open the data, and notify the claimer accordingly.

No. of information disclosure claims handled (as of Dec. 2019)

(unit: 1,000)

Category		2006	2015	2016	2017	2018	2019
Information disclosure claims	No. of claims received	87	692	756	855	982	1,118
	No. of claims handled	69	458	504	564	592	758
	No. of claims disclosed	62	440	482	538	561	717

※ As of 2019, the number of information processed increased about tenfold from that in 2006.

Key Achievements of Information Disclosure System

Information Disclosure Portal (www.open.go.kr) has continued to improve its functions since introduced in 2006 to safeguard the rights and interests of the socially marginalized and to increase access to information. In 2014, Korea became the world's first to offer the service of announcing the original text of the documents as was approved in public institutions to significantly extend the people's rights to know and transparency in policies of public institutions. Based on this accomplishment, the Korean government is expanding the number of public institutions subject to the announcement of original texts service every year. In addition, we are planning to improve the system to make it easier and more convenient for users to look up the information they want by taking advantage of cutting-edge information technologies such as big data analytics.

Background of Korea On-Line E-Procurement System (KONEPS)

Since the 1990s, digitization of procurement administration or e-procurement has been one of the important agenda of public sector reforms. In particular, building a free and fair procurement administration system in market, which significantly affects the national economy, was an essential task in public sector reforms, as Korea government was searching for a democratic administration model, ending the paradigm of authoritarian administration of development-oriented era. Therefore, the Korean government initiated its efforts to digitize procurement administration to enhance efficiency and transparency as a part of reforming the public sector.

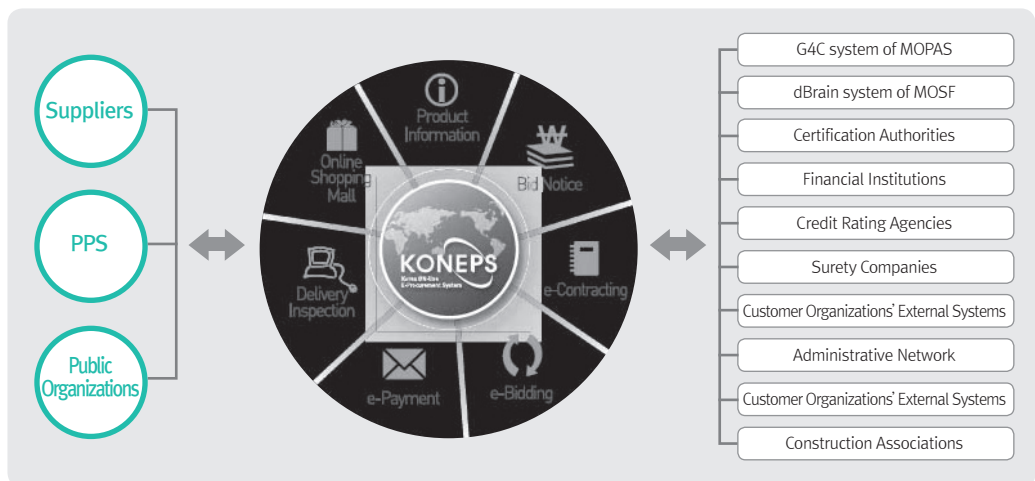
The Public Procurement Service (PPS) established the Electronic Data Interchange system in 1997, and began processing all stages of procurement from supplier registration, bidding to deposit reception electronically. However, most of the public institutions except for the PPS had continued to conduct procurement work non-electronically including by submitting written documents, raising ongoing issues of lack of efficiency and transparency in public procurement. The PPS, therefore, developed the KONEPS or Korea On-Line E-Procurement System [Nara Jangteo (meaning “national marketplace” in Korean), G2B] as one of the 11 e-Government projects, and opened the service in October 2002 in order to fundamentally eliminate chances of corruption that might arise from in-person contact, and to gain transparency and trust in public procurement by publicizing all bidding processes stage by stage and in real-time.

Key Features of Nara KONEPS

The adoption of KONEPS allowed potential suppliers in public procurement digitally process all stages of procurement such as user registration, bidding, contracting, deposit reception, payment, etc. It also made public institutions perform e-bidding, contract management, payment, and other work through the system.

More business features were introduced with regards to overall procurement cycle: the RFID system in 2005 that enabled public institutions to manage goods using RFID technology after procuring them, and e-Shopping Mall in 2006 where public agencies can make purchases at once without undergoing bidding. With these system adoptions, KONEPS, since its introduction in 2002, has grown to cover the entire process of procurement on top of the bidding. Furthermore, vast procurement data sets are being collected and systematically managed in the system, and disclosed transparently to the public through Ontong Jodal (literally meaning “all about procurement,” which is a website sharing public procurement statistics) and Information Disclosure Portal.

KONEPS Concept Map



*MOPAS : Ministry of Public Administration and Security

*MOSF : Ministry of Strategy and Finance

KONEPS offers one-stop procurement service to businesses through its linkage with 227 systems of other organizations, including the Ministry of the Interior and Safety, financial institutions, and relevant associations. The service allows suppliers to substitute linked information for documents submitted repeatedly when bidding or contracting, such as a business license, certificates of full payment of municipal and state taxes, a written warranty, qualification documents, a copy of corporate registration, etc. with linked information.

Key Achievements of KONEPS

Thanks to these efforts, the KONEPS, built in 2002, has served some 58,000 public institutions and 433,000 suppliers to conclude goods delivery and construction contracts worth around KRW 102.8 trillion as of 2019. The transaction volume of the system accounts for 72.8% (as of 2018) of the total public procurement contracts, with 440,000 tender notices announced and 1,021,000 contracts made digitally every year.

Annually, over \$8 billion is saved and 620,000 MT less carbon is emitted due to the reduction in the number of visits made by suppliers, paper consumption, etc.¹⁾ KONEPS is recognized by the international community as the best e-Government model²⁾ as demonstrated in winning the UN Public Service Award that it has been benchmarked by seven countries including Costa Rica and Tunisia. In addition, the KONEPS considerably enhanced transparency in public procurement by releasing procurement information

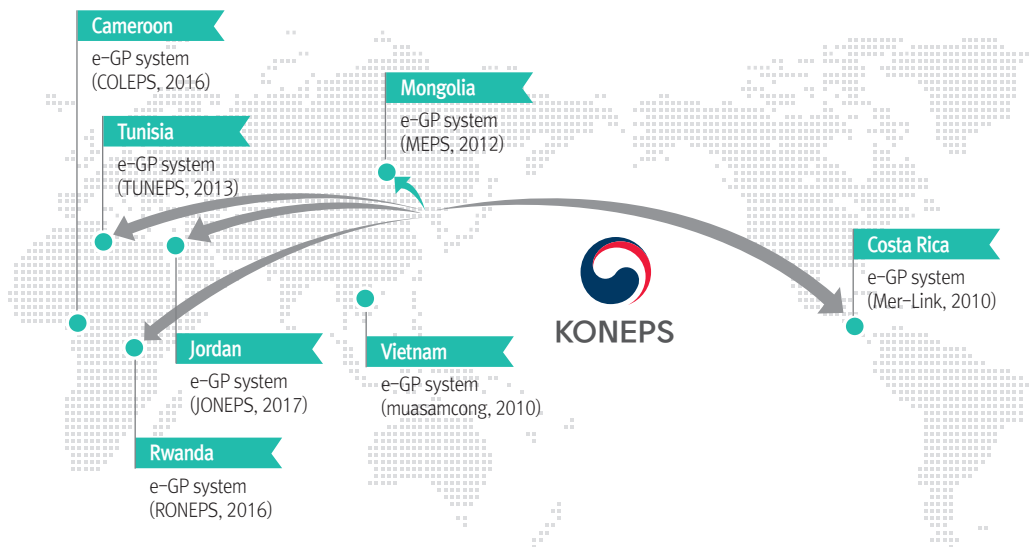
1) Research service conducted by Industry-University-Research Cooperation Foundation of Hanyang University (Sept. '09)

2) World's evaluations of KONEPS

- UN: granted the Public Service Award for e-Procurement innovation (June '03) and selected as a Best Practice Model in e-Procurement (Nov. '04)
 - OECD: evaluated as "no further action required" (May '04)
 - World Information Technology and Services Alliance: named as the public institution of best service innovation using information technology, Global IT Excellence presented (May '06)
 - AFACT*: presented as a best practice model of e-Transaction at 2007 e-ASIA (Aug. '07)
 - * Asia Pacific Council for Trade Facilitation and Electronic Business
 - OECD, ITU, UN DESA: selected the mobile e-procurement service of Nara Jangteo as one of the four world's best practices (Nov. 2011)
-

in real time and reducing in-person contact, and introduced transparent and fair e-procurement processes, such as where fingerprint recognition is used in the e-bidding system and where disqualified bidders are automatically rejected from participating in bidding, through the adoption of new information technologies. With all these features, the KONEPS was presented as a best practice in transparency by Transparency International, at international Anti-Corruption forums, etc.

Partnership of KONEPS based e-procurement systems



Future Plans

The PPS is preparing KONEPS, in operation for 17 years since 2002, for a new leap forward to offer quality services centered around different user bases, and to lead the next e-procurement paradigm in line with technological advances in the Fourth Industrial Revolution.

First, through the integration of 26 e-procurement systems operated by public institutions apart from KONEPS, the PPS will save suppliers the inconvenience of

registering themselves and submitting bidding documents repeatedly on 26 different systems, and will enable KONEPS to embrace agencies' own procurement work that is being done separately so that public procurement can be more transparent and reliable. Furthermore, KONEPS will become more user-friendly and easy to use by renewing UI and UX to put growing and diversifying users at its center, and building a standardized e-document sharing system as well as an integrated standard linkage system.

We at the PPS are also planning a more capable KONEPS that will set a new paradigm in e-procurement that uses resources in a swift and flexible manner, and provides stability and strengthens the security of public procurement by incorporating block chain, cloud computing, big data, artificial intelligence, and other new technologies.

To that end, the PPS conducted a project for Information Strategy Planning (ISP) for a redesign of KONEPS, including system rebuilding on a cloud platform for the integration of KONEPS and 26 procurement systems of public institutions, in 2018. The project passed preliminary feasibility testing in 2019, and is in the stage of the Information System Master Plan (ISMP) in 2020 where development strategies and implementation plans are drawn in detail based on the project plan devised during the ISP. The PPS will set a new mission and vision for e-procurement, according to the result of the ISMP, and start building a next generation integrated public procurement system in 2021, which will lead public procurement in the future. With a new system, the PPS is planning to expedite innovation in the economy through public procurement, and share its achievements across public institutions at home and abroad.

Integrated Government Subsidy Management System (e-Naradoum)

e-Naradoum (Integrated Government Subsidy Management System)

The Article 2 of Subsidy Management Act defines government subsidies as funds granted by the State to promote, or provide financial assistance in, work or programs implemented by any non-State entity such as local governments, public institutions, private enterprises, etc.

While annual budgets for government subsidies had continued to rise, fraudulent claims had persistently occurred, calling for a fundamental change in the management system of subsidies.

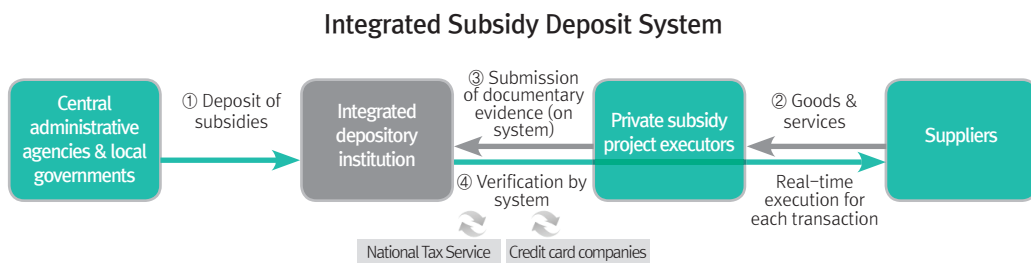
False claims occurred because some government subsidies used to be paid by a rule-of-thumb in such ways of manual operation of the projects, silo management of the fund by different government agencies, etc. In addition, the financial systems (dBrain, e-hojo and EduFine) that manage budget and settlement of subsidies and the project management systems (Haengbok-E-eum, Agrix, etc.) that verify funding recipient requirements lacked the linkage between them, thereby presenting a fundamental limitation in the systematic management or prevention of fraudulent claims of subsidies.

Accordingly, a need arose to introduce a comprehensive subsidy management system that would oversee the entire subsidies to systematically and extensively manage the funds, and enhance efficiency and transparency in processing subsidy work through the linkage of different systems, while preventing duplicate or false claims with integrated recipient information.

In December 2014, the government decided to build a system to comprehensively manage subsidies as a part of the initiatives contained in the Comprehensive Plan for Fraudulent Government Subsidy Claims. Starting with the business process re-engineering and information strategy planning in 2015, the system was built for two years and went into full operation in July 2017 as e-Naradoum (literally translates to “government support”).

The following is the major details and achievements following the development and operation of e-Naradoum.

First, the entire process of subsidization, from budget allocation for subsidies to call for projects to execution and settlement to post-management, was integrated, standardized and digitized into one system to be managed as a whole. In particular, the funds used to be directly granted to private subsidy project executors are now deposited in an integrated depository institution and automatically transferred from the system to the supplier once an actual transaction occurs, allowing safe and transparent management of subsidies and significantly relieving the administrative burden caused by payment to suppliers or settlement of the funds.



Second, a verification system, applied at all stages of subsidy projects, identifies any project suspected of making fraudulent claims and notifies the project to the institution in charge to check on the suspicion.

Importantly, the government developed the Subsidy Fraud Detection System (SFDS) in-

house, and applied it in the subsidy execution stage. SFDS detects subsidy execution cases in a monthly base, which correspond to coded 50 suspicious claim types, including transactions between subsidy project executors (recipients) and their family, subsidy receipt by a deceased or an individual who is out of the nation, cancellation of issuing a tax invoice, and identifies high-risk projects.

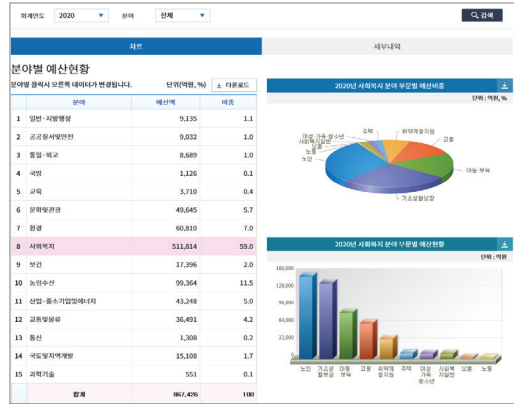
Thanks to our sustained efforts made since the system adoption in improving fraud monitoring patterns and applying new patterns, the number and amounts of false claims detected in 2019 rose significantly from the previous year: the number and amounts of fraudulent claims detected among projects implemented for one and a half year from January 2017 to June 2018 were 64 cases worth KRW 510 million, while 108 claims worth KRW 2.1 billion were detected among projects conducted for a year from July 2018 to June 2019, demonstrating how the fraud monitoring system through e-Naradoum is becoming firmly established.

On top of false claim detection, e-Naradoum is found to be highly effective in preventing fraudulent claims as demonstrated in a survey of 1,150 system users in November 2019, where 70.6% of respondents said e-Naradoum was effective in the prevention of false claims. In an attempt to respond to increasingly sophisticated fraud types, we also plan to improve the accuracy of the monitoring for detection by continuing to incorporate advanced fraud detection techniques, for example by additionally developing an intelligent fraud symptom detection system using new technologies.

Third, e-Naradoum is guaranteeing citizens' right to know and increasing transparency in subsidization by disclosing detailed information about the entire subsidization, including current status of government subsidies and subsidy projects, information about project executors, and their major assets, at each stage of budget allocation, execution and settlement. Furthermore, it provides a personalized service where individuals can search for subsidies that they are qualified to receive, making greatly easier for citizens to use subsidies.



e-Naradom homepage (gosims.go.kr)



Budget status by subsidy area in e-Naradom's Statistics Center

e-Naradom is expected to significantly contribute to the national fiscal reforms in the long run by contributing to cost reduction in the budget through the elimination of fraudulent subsidy claims, and enhancing public trust with transparent information disclosure, as demonstrated above.

Electronic Customs Clearance System (UNI-PASS)

Significance and Development Background of UNI-PASS

UNI-PASS refers to a set of information systems that the Korea Customs Service (KCS) has built and operated for efficient customs administration. It contributes to securing public finances through accurate taxation on import and export cargo, maintains international trade order through control on smuggling activities and foreign exchange, and supports domestic industries through swift clearance and FTA utilization support, as an optimal system to manage economic borders.



For a trade-dependent economy, transparency in customs administration is essential to economic growth as it leads to sound public finances.



With rapid economic growth, Korea enjoyed an average annual increase of 15% in trade volume in the 1990s, which resulted in demand by im/exporters for better trade and customs services. However, there was no proper customs clearance system, causing traders and customs brokers to make in-person visits to dozens of clearance-related

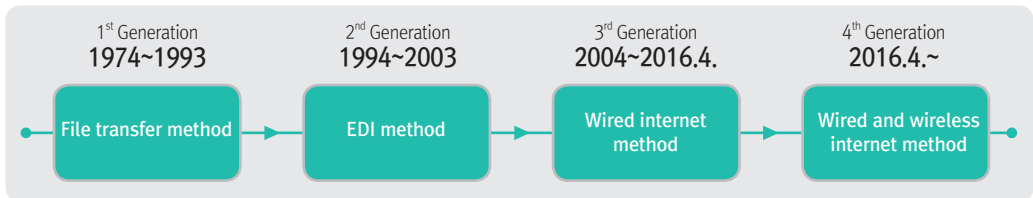
institutions to submit different types of documents. During the process, im/exporters and customs brokers and such are entitled to information on the clearance process status of their imported goods after arrival in Korea, and public institutions have an obligation to provide such information. On the contrary, the information on the clearance process was not available at all, which incurred expenditure of time and money to obtain such information and higher distrust of opaque administration. In addition, the manual process of the Customs, including documentation of im/export inspection results on paper, caused inefficiency of work and clearance-related corruption. At the same time, all types of false im/export related certificates were submitted at the clearance stage, and the defenseless state against illegal acts allowed employees from customs brokers offices to swindle money out of cargo owners in the name of express charges by the Customs. Due to the absence of post-clearance management, the prevailing idea was to go through the Customs by any means. As times changed, there were growing calls for reforms in customs administration at home and abroad, from the citizens and im/exporters for swift and transparent clearance procedures and real-time cargo processing information, and from international organizations such as the WTO for streamlining trade-impeding procedures and for cost reduction. This is the background which triggered the development of UNI-PASS.

System Development

The development of UNI-PASS is categorized into four generations. The first generation was a simple statistics tool developed to manage customs statistics. The next generation was a proper and fast clearance system based on the EDI (electronic data interchange) with an aim to put in place effective control schemes against illegal and fraudulent trade activities while improving customs administration and services to the public, which completed a paperless clearance environment. Beyond the mere objective to automate customs processes until the second generation, UNI-PASS began its system enhancement from the third generation. Wired Internet was adopted and the distinct

feature of the third generation is that the systems locally dispersed were centralized to the KCS HQ through the Single Window system established in 2005. The introduction of the fourth generation UNI-PASS in 2016 optimized data processing to provide accurate and timely information to the ones who need it, and allowed customs officers and external users to use a variety of mobile services whenever and wherever. In preparation for the Fourth Industrial Revolution, UNI-PASS is incessantly striving for faster, more reliable and accurate customs clearance services through pilot projects to adopt artificial intelligence, big data, block chain, and other new technologies.

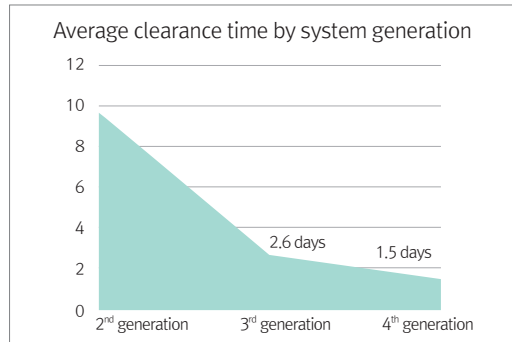
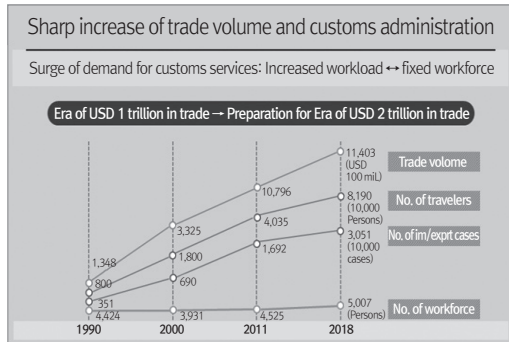
KCS' Informatization by Generation with Key Features



Preventing Inappropriate Dealings with Swift Clearance

UNI-PASS is the world's first 100% electronic clearance system, which electronically processes all documents from customs declarations to supporting documents. In the 1990s, the KCS actively implemented non-face-to-face customs administration by introducing a paperless system to enable paperless (P/L) processing of customs declarations, and by shifting the import clearance regime from the license permit regime under which all imports are subject to inspection, to the report regime with a non-inspection principle, leaving no room for corruption and significantly reducing clearance time. Furthermore, the adoption of Single Window system in 2005 allowed im/export-related regulatory agencies, the KCS and other stakeholders to exchange and share information on im/export related certificates, as well as different types of statistics and other information for data analysis and decision making. Owing to the advancement of UNI-PASS, the KCS reduced the export declaration processing time to less than

1.5 minutes from 1 day, and the import declaration processing time to less than 1.5 hours from two days. This is a world's fastest level and far faster than the 4 hours recommended by the United Nations Conference on Trade and Development. Through UNI-PASS with 24/7 non-stop operation all year round, declarants are able to submit trade related documents on the website or application anytime and anywhere with no need to visit Customs offices.



The development of UNI-PASS has made it possible to handle fast-growing trade volume that went up by 18 times in the last three decades, with the same number of customs officers. The 「Research on Performance Results of the Fourth-Generation UNI-PASS」 by the Seoul National University Industry-Academic Cooperation Foundation in 2018 estimated the economic impact of UNI-PASS at KRW 6.42 trillion.

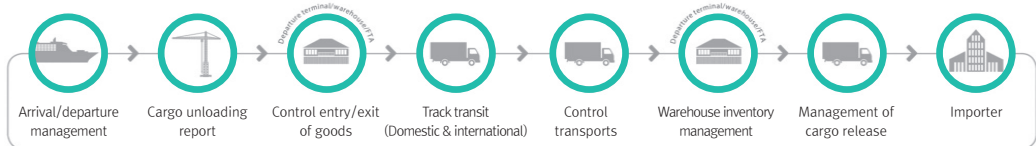
Economic Benefits of 4th Generation UNI-PASS

Category	Indicator	Value
Direct benefits	Efficiency, openness, applicability, applicability of Knowledge Base, and cost saving from document storage	KRW 1.82 trillion
Benefits to businesses	Productivity increase from improved business process, benefits of utilizing cargo tracking function, and benefits of using freight facilities	KRW 4.60 trillion
Total		KRW 6.42 trillion

Implementing Transparent Customs Administration with Sharing Clearance and Cargo Processing Information

UNI-PASS enables real-time tracking on the movements of im/exports. Owing to the gross cargo weight management by the B/L unit, the KCS can prevent loss of cargo in transit, and prevent irregularities by customs brokers through providing real-time cargo processing information to cargo owners, logistics companies and customs officers. UNI-PASS is also substantially contributing to blocking smuggling as it allows investigation divisions to track and investigate cargo in question anytime. In addition, the e-payment system linked to banks enables traders make their tax payments online anytime without physical visits to banks. With the paperless, non-face-to-face, and swift clearance, the KCS can prevent inappropriate dealing by not leaving any room for corruption.

Real-Time Cargo Tracking



Eliminating Corruption Risks with Post-Clearance Management


Before the establishment of UNI-PASS, customs officers were highly vulnerable to corruption due to the absence of post-clearance management and the widespread perception to complete the customs processes by any means. The introduction of UNI-PASS, however, enabled the utilization of the data accumulated in the system for detecting errors in declarations and illegal activities, which contributed to implementing systematic post-clearance management.

The technical capability of UNI-PASS has been recognized by the international community. The system played a critical role in Korea's winning of first place in the

“Doing Business” assessment of the trade and customs clearance sector conducted by the World Bank for six consecutive years from 2009 to 2014, being acknowledged as an innovative system. Moreover, with the advanced passenger clearance by UNI-PASS Incheon International Airport was selected as the best airport in Airport Service Quality Awards presented by Airports Council International for 11 consecutive years since 2006. Additionally, the World Customs Organization has selected the cargo management system, integrated risk management system, and Single Window system of UNI-PASS as best practices.

As of 2020, 14 countries have adopted UNI-PASS since Kazakhstan in 2005. Ecuador who introduced UNI-PASS in 2010 saw an average annual increase of 3.7% in fiscal revenues from 2012 to 2015 and reduced logistics costs by KRW 32 billion per annum despite of the global economic downturn following 2008 Global Financial Crisis. The World Customs Organization recognized this achievement and honored Ecuador with the WCO Innovation Award in 2013. Tanzania, too, enjoyed the benefits of using UNI-PASS with an average annual increase of 29.2% in revenues and reduced clearance time to 15 days from 31.

As of 2019, the KCS has 5,148 customs officers to handle 18.86 million im/export declarations as well as more than 50 million cases of e-commerce express shipments. This was made possible owing to KCS’ strong will to eradicate corruption and to continue with the efforts toward system development. The KCS is celebrating its 50th anniversary this year. The KCS is committed to higher integrity and supports for developing economies with its assistance, based on the 50 years of experience in the system development and information.



Clean Portal (Corruption and other Reporting Channel)

Rationale behind Building Clean Portal

Technological advances have brought about rapid changes in how we communicate for the last few years. We now look for information on the Internet, instead of books, and consume information in real time on our mobile devices. The digital transformation has diversified the way we report and share anti-corruption information as well. Citizens want to be able to report conveniently online and find anti-corruption information they want with a single search.

Against this backdrop, the ACRC initiated our efforts to make drastic reforms in the existing anti-corruption system, which had been operated since 2003, with the goal of providing anti-corruption services that meet the people's expectations.

Key Characteristics of 1st Phase of Clean Portal Development

The ACRC built and opened Clean Portal (www.clean.go.kr) to make it easier and more convenient for citizens to report acts of corruption or against public interests, and take advantage of whistleblower protection and reward services. Shinmungo³⁾ for Integrity, ACRC's previous online platform for corruption reporting, put people to inconveniences as they needed to select one out of five corruption types (acts of corruption, public interest violation, violation of the Improper Solicitation and Graft Act, violation of the Code of Conduct for Public Officials, and government subsidy frauds) before reporting.

3) A large drum that was hung on a gate tower of the royal palace compound during the Joseon Dynasty, which was pounded by ordinary people who had experienced unfair things and wanted to let the king know it

Clean Portal, developed through the first phase of the project, enhanced customized services for reporters that anyone can find it easy to report without knowing the corruption type on which they intend to inform. For example, when an individual wants to use the “easy reporting” function, the system analyzes the detail of reporting, automatically suggests the most relevant corruption type, and provides the information about whistleblower protection and reward.

In addition, it enabled to additionally apply on-line for whistleblower protection or reward process so that users can use all the necessary services at one go from reporting acts of corruption, etc. to applying for reporter protection or reward without filling out duplicate forms.

It also made it easier for reporters to follow up on how their reporting is processed and who is handling the case by sending notifications via mobile text messages about the case handling, including the reception of a reporting, assignment of the case-handler, and posting of the case result.

Key Characteristics of 2nd Phase of Clean Portal Development

Through the second phase of the Clean Portal development project, the ACRC revamped the platform to expand the online reporting channel so that citizens can report acts of corruption or public interest violation to other public institutions apart from the ACRC.

On the previous version of Clean Portal, people could report acts of corruption, etc. and apply for reporter protection or reward, only to the ACRC. Thus, when citizens wanted to report to other public agencies, they needed to visit the institution’s website, or make an in-person visit or send a mail to the agency in case it did not provide an online reporting service.

The ACRC, therefore, brought 459 public institutions (as of late October 2020), including

central administrative agencies, local governments and organizations related to public service, to be on the platform to allow anyone can easily report acts of corruption or public interest violation, and apply for reporter protection or reward to public institutions.

Not only the upgraded Clean Portal made it easy for reporters to report to whichever authority, either to the ACRC or other public institution, but it also added a function where reporters can search for a reporting they have submitted to other public agencies and import relevant data into an application form for whistleblower protection or reward, saving themselves from repetitive paperwork.

Moreover, the ACRC had public institutions to post information about whistleblower protection and reward, and called their attention to protecting whistleblowers by providing information about what measures are needed to protect reporters at each stage of receiving and handling cases.

Plans for 3rd Phase of Clean Portal Development

The third phase of the development project is underway in 2020. The plan is to lay the groundwork for analysis of anti-corruption data, collected during the first and second phases of the project, and provide knowledge service in carrying out anti-corruption duties through intelligent information technology in order to support public institutions in the data oriented policy implementation.

In addition, we plan to lay the basis for sharing anti-corruption information so that public institutions can share and disclose various anti-corruption data obtained while fulfilling anti-corruption duties to enable personnel in charge of preventing corruption to refer to and use the information they need, and that people can search for anti-corruption information from integrated databases on Clean Portal without going through multiple websites of different institutions.

e-People Overview

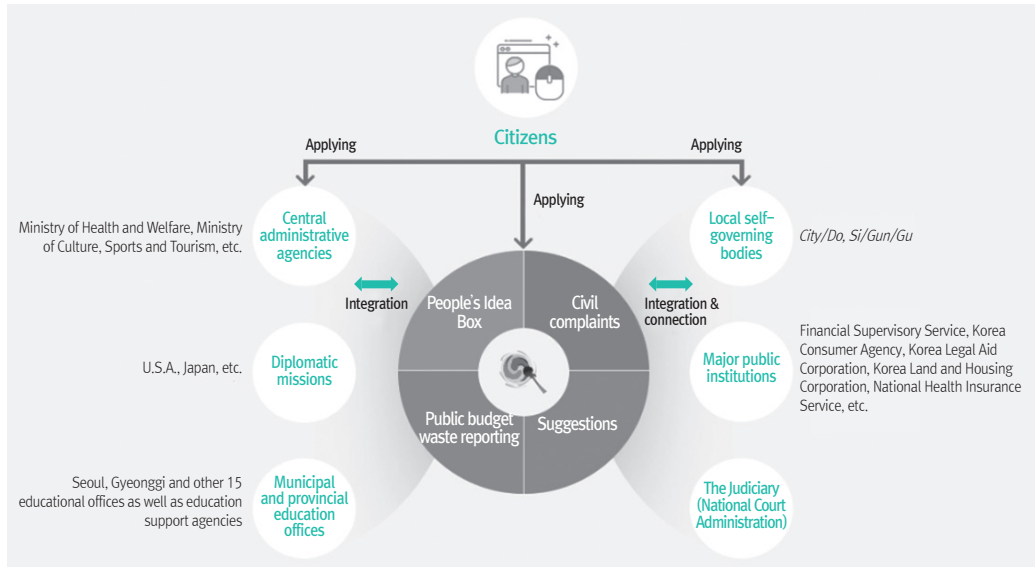
e-People (www.epeople.go.kr) that ACRC has operated since 2005 is a government-wide online portal system for handling civil complaints, which is linked to all administrative agencies and public institutions, allows citizens to conveniently file a complaint on the internet, and notifies how the case is being dealt in real time at one go.

Before e-People, as each institution received and handled civil complaints individually, people needed to figure out which agency would be in charge of the issue or visit agencies one by one. Additionally, after a complaint was received, people still found it difficult to know which team at which institution would be dealing with the case because cases are often transferred between different institutions. However, with the adoption of e-People, one-stop system for handling a civil complaint, people can now file a complaint with all administrative agencies on a single system, and learn in real time who is dealing with the case however being transferred. Furthermore, citizens can learn the result of case handling via e-People website, email or SMS on mobile phones.

Current Status in Using e-People

Starting with seven agencies in 2005, e-People integrated channels for handling civil complaints of the entire central administrative agencies in 2006 before embracing those of all local self-governing bodies in 2008 and the Judiciary's in 2009. By inviting municipal and provincial education offices and education support agencies across the nation in 2011, e-People made it possible for citizens to file a complaint with all

administrative agencies on the system. The ACRC also has consistently promoted the use of e-People among public institutions to succeed in bringing 289, as of July 2020, major public institutions on board.



In addition, the introduction of e-People mobile web service in 2011 made it easier for citizens to file a complaint and check on the handling process. As more institutions have begun using e-People and more people have learned convenience of the mobile web service, e-People's awareness among citizens has been substantially raised from 26.8% in 2006 to 64.3% in 2015 to 81.2% in 2019, which is causing hikes in the number of complaints received in e-People every year. The number of complaints filed on e-People doubled from 400,000 in 2006 to 800,000 in 2010 before sharply rising with the introduction of mobile web service in 2011 to reach 2.3 million in 2016 and 7.99 million in 2019.

Multilingual Petitioner Service

The ACRC provides e-People services in 14 languages, starting with English, Japanese and Chinese in June 2008, to make it easier for expats residing in Korea and Korean citizens abroad, who had been left behind in safeguarding rights and interests due to a language barrier, to benefit from the services. The multilingual e-People service allows them who have no command of Korean to file civil complaints in their mother tongue. The concerned public organization then handles the civil complaints and notifies the petitioner of the translated outcome.

Timeline of launch of multilingual complaint service

June 2008	Dec. 2009	June 2010	Nov. 2010	Feb. 2011	May 2011	Sept. 2011	Nov. 2011	Dec. 2012	Nov. 2013	June 2016
English Chinese Japanese	Vietnamese	Mongolian	Indonesian	Thai	Uzbek	Bengali	Cambodian	Sinhala	Nepali	Russian Burmese

Excellence of e-People

The excellence of e-People has been recognized by the international community. It became one of the Top 10 in 2006 World e-Government Competition in France, topped in Exhibition in 2008 European e-Government and IT Conference (e-Challenge 2008), and won a UN Public Service Award in 2011. Moreover, many countries are showing their interests in adopting e-People system to increase national transparency and better communicate with citizens. For instance, the Tunisian government initiated a project to build a Tunisian e-People after an MoU reached between Korea and Tunisia, and now is providing services with the system since March 2018.



**Strengthening Standards of Conduct
to Enhance Integrity of Public Officials**

Increase of Transparency in Public Service Recruitment

Overview of Government Recruitment

The general principle of government recruitment is to hire public officials through the open competitive examinations in accordance with Article 28 of the State Public Officials Act. However, the competitive recruitment for career service is conducted among experienced candidates for those exceptions where positions are hard to be filled through open competitive exams. The open competitive recruitment exam is where anyone can apply regardless of education or work experience, and designed to hire qualified candidates by relative comparison. It can ensure equal opportunities for every citizen to apply for a government job, as stipulated in Article 25 of the Constitution. The competitive recruitment exam for career service aims at employing those who have expertise in the hiring position, and has helped us to meet the manpower needs that increasingly require extensive expertise.

Significance of Fair Recruitment & Efforts for Equitability in Public Service Recruitment

Anyone goes through the process of finding a job at least once in life, and it is the very first gateway you face when building a career. Fairness in recruitment, therefore, can sometimes play an important role in assessing how fair a society is, which can result in trust in both the society and government. Meanwhile, when an organization succeeds in filling positions with competent members through a fair hiring process, it will not only secure a competitive advantage, but increase satisfaction among new hires, which in turn

will lower the turnover rate and ultimately enhance the competitive edge of the entire organization in the long term. As demonstrated, fairness in recruitment has considerable implications in every aspect of a society.

Government recruitment, known as to be one of the fairest examinations in Korea, does not allow any arbitrary and discretionary intervention in the process as details of the hiring process from reception of applications to announcement of the selection result, including the method and subjects of the exam, the organization and number of examiners, final selection criteria, and procedures of the exam, are stipulated in the State Public Officials Act, Decree on Public Officials Appointment Examinations, and other personnel affairs legislation. In addition, in an attempt not to hire for candidates' experiences or background, but to conduct competency-based recruitment, the Ministry of Personnel Management (MPM) introduced background-blind recruitment system for open competitive exams in 2005 where applicants shall not provide information about family and academic background in the application form, and interviewers are not given any information about educational institutions applicants attended, the neighborhood they are from, and the result of the written test. This system has been applied to the competitive recruitment exam for career service since 2017. In the recruitment process for experienced candidates, when conducting application reviews and interviews, employers shall use the standard application form, where the photo of the applicant shall not be attached, to avoid any prejudice from one's appearance. Additionally, when receiving applications, they shall not ask applicants for non-essential personal information in the application form, such as the resident registration number, family background, physical condition, etc., and when requiring the information concerning the applicant's highest level of education, they shall request only the information about diploma type and major but not the name of the institution. Furthermore, the MPM requires each government agency to draft a detailed job description containing competences, knowledge, skills, and other job requirements after analyzing the hiring post (or position), and post the details along with the job opening when conducting an in-house competitive recruitment exam for experienced candidates.

At the same time, the evaluation of an applicant’s job competences, instead of his/her background, should be strengthened to successfully establish the background-blind recruitment system. One of the major components of the competency-centered evaluation is the interview. The MPM conducts a structured interview method in the government recruitment process. The method is designed to refrain interviewers from asking one-off or unexpected questions based on their own viewpoint, but to clarify evaluation criteria and a set of competences subject to evaluation, apply the same interview format to all applicants, and encourage interviewers to follow rules, such as asking prearranged questions, etc. Our efforts to secure fairness in each stage of the government recruitment process are summarized below.

Fair Hiring Measures for Each Recruitment Step

① Vacancy announcement & application reception	<ul style="list-style-type: none"> ① To clarify the hiring position in the announcement ② To share recruitment information through various channels (agency website, job search website, etc.) ③ Not to apply unreasonable limits in qualifications
② Application review	<ul style="list-style-type: none"> ① Not to request or provide information that might cause prejudice (family background, appearance, etc.) ② To thoroughly verify the authenticity of submitted documents ③ To achieve fairness in consisting of review members such as by having more than a half of its members as external examiners
③ Written test	<ul style="list-style-type: none"> ① To secure fairness in writing questions ② To manage a fair test by randomly assigning application numbers, keeping personal information confidential, etc.
④ Interview	<ul style="list-style-type: none"> ① To keep the interviewer and interviewee group confidential ② To provide interviewers with applicant's information only relevant to the position ③ To have mandatory prior training for interviewers
⑤ After final selection	<ul style="list-style-type: none"> ① To comply with the evaluation criteria (scoring items) for the final selection, and not to make arbitrary change ② To review whether selection at each stage was fair and legitimate ③ To inform candidates of the process to raise an objection, and collect opinions if any

Measures to Foster a Culture of Fair Recruitment

The MPM is devoted to sharing and disseminating our experiences in fair recruitment, including our measures to secure fairness in recruitment exams, not only to government agencies but throughout the entire public sector. First, we have hosted the fair recruitment workshop every year since 2017 to share ways to achieve fairness at each recruitment step and provide a venue to exchange ideas about fair hiring. In particular, the participant base was expanded in 2019 from central and local government agencies to include other public institutions. Additionally, we published the Fair Recruitment Guidebook in 2018 to distribute guidelines to which recruiters on the ground can refer at all times, and issued a revised edition in 2019 with examples of fair hiring. Moreover, in an attempt to build expertise in interviews of public service recruitment, the Ministry offers opportunities for training to enhance question writing and interview skills through sessions held by private providers, professional courses provided by the National Human Resources Development Institutes, etc. Furthermore, the MPM hosted a fair recruitment consulting session jointly with the Ministry of Economy and Finance, the Ministry of Employment and Labor, and other relevant agencies in 2019 to invite public institutions where we disseminated our know-how in securing fairness in the public service recruitment, creating momentum to spread fair recruitment practices to the private sector.



Workshop to foster a culture of fair recruitment
(Dec. 9, 2019)



Workshop to foster a culture of fair recruitment
(Dec. 9, 2019)

We plan for 2020 to continue our efforts in achieving fairness in public service recruitment, and, at the same time, provide further consulting and training opportunities so that a culture of fair recruitment can be firmly established in public institutions and throughout the public sector as a whole.

Establishment and Enforcement of Code of Conduct for Public Officials & Legislation of Prevention of Conflicts of Interest

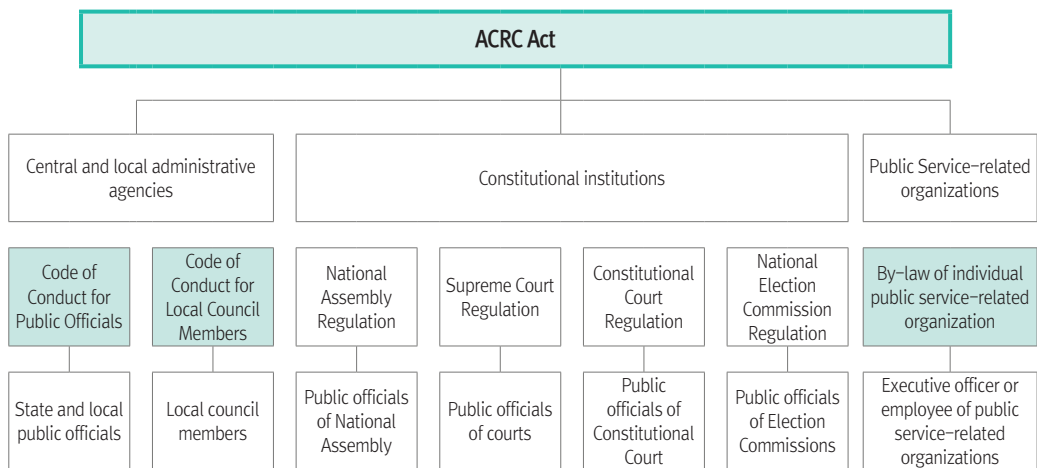
Implementing Code of Conduct for Public Officials

The Code of Conduct for Public Officials stipulates the standards of behavior that public officials should comply with to ensure fair conduct of public affairs and prevent corruption. It works both as a code of ethics declaring the values to be pursued and as a code of practice stating detailed standards and procedures to be observed by all members of the organization.

The Code of Conduct for Public Officials finds its legal basis from Article 8 (Code of Conduct for Public Officials) of the ACRC Act. It mandates all public institutions to formulate and comply with a code of conduct by stipulating that the code of conduct that public officials must observe shall be prescribed by Presidential Decree, the National Assembly Regulations, the Supreme Court Regulations, the Constitutional Court Regulations, the National Election Commission Regulations, or the internal regulations of the public service-related organizations. The Article also states that the code of conduct for public officials shall prescribe the following matters: ① matters concerning the prohibition and limitation of any public official's receiving entertainment, money, goods, etc. from any person related to his/her duties; ② matters concerning the prohibition and limitation of any public official's intervening in personnel affairs, influence peddling, doing good offices, or soliciting another person for his/her good offices, taking advantage of his position; ③ matters that public officials need to observe in order to create a sound climate of the civil service, such as a fair personnel affairs; and ④ other matters necessary to prevent corruption and maintain the integrity and dignity of public officials when they perform their duties.

The Code of Conduct for Public Officials, enacted as a presidential decree, is applied to both state and local public officials; the Code of Conduct for Local Assembly Members is applied to local assembly members; the Code of Conduct, established as a regulation of other constitutional institutions, namely, the National Assembly, Supreme Court, Constitutional Court and National Election Commission, is applied to public officials of those institutions; while the Code of Conduct for Executive Officers and Employees of Organizations Related to Public Service, enacted as an internal regulation of such organizations in accordance with Article 3-2 of the Public Service Ethics Act, is applied to all employees of organizations related to public service.

Management System of Code of Conduct for Public Officials



The ACRC not only performs policy implementation function where it supervises the system of the Code of Conduct for Public Institutions while supporting them in enforcing the Code, but carries out enforcement function where the Commission handles reportings on violation of the Code, and oversees the operation and implementation of the Code at each institution. Furthermore, it encourages public institutions at all levels to establish an autonomous disciplinary system tailored to different circumstances under which the institutions are by having them devising and enforcing their own code of conduct that

specifically reflect characteristics of duties each institution performs.

Strengthening Code of Conduct for Public Officials

The ACRC has strengthened the standards of conduct under the Code of Conduct for Public Officials to root out inappropriate practices in the public sector and establish public service ethics that meet the expectations of the people.

The Commission amended the Code concerning the prevention of conflict of interest of public officials and the ban on improper solicitation made by a public official to a private entity in January 2018 to eliminate acts of public officials pursuing personal interests improperly. According to the revised Code, first, when a public official finds a potential involvement of his/her personal interests while conducting his/her duty, the official shall report to the head of agency he/she works for. Not only that, an official shall report when privately contacting any individual who have retired from the agency the official belongs to, and is a duty-related party, for an occasion of golf, travel, gamble, etc. so that any retired public official shall not be involved in lobbying. Moreover, through the amendment, the ACRC toughened the standards of conduct by including private entities in the scope of the party which a public official shall not introduce a duty-related party or make solicitation to, and regulating acts of using private labor of a duty-related person or duty-related public official by taking advantage of his/her superiority.

Furthermore, the ACRC once again amended the Code of Conduct for Public Officials in December 2018 to fight abuse of power in the public sector and inappropriate practices where supervisory agencies make unreasonable requests to the entities under their supervision to provide special treatment and/or preferential services that go beyond normal practices related to business trips, events and training. First, the Commission defined the concept of power abuse in the public sector as improper acts caused by misuse of one's superiority or authority in the revised Code, and banned public officials, by exercising de-facto influence stemmed from his/her job authority, rank or position,

from improperly restricting the rights or authority of a duty-related party, etc., or improperly asking the party to perform the work to which the party is not obligated. Additionally, the Code stipulates that a public official belonging to an agency whose mandate is to supervise, audit, investigate or assess (supervisory agency), shall not make a unjust request to an entity under its supervision to provide money, valuables, etc., which is not based on laws and regulations or is inconsistent with the purpose or use of budget; and that a public official at the entity under the supervision shall refuse to implement an unfair request upon receiving it from a public official at the supervisory agency.

Efforts to Legislate an Act on Prevention of Conflict of Interest of Public Officials


The ACRC is committed to enacting a general law on preventing conflicts of interest of public officials to effectively prevent and control potential situations of a conflict of interest that public officials might face while performing their duties. When public officials are confronted with a potential conflict of interest, it might be difficult for them to carry out their duties in a fair manner, and even if they perform the duty in accordance with laws and regulations, citizens may raise a suspicion that the public official might have not been fair in the process. Therefore, it is necessary to establish an effective legal system to prevent public officials from involving their personal interests in performing public duties. Although the ACRC submitted a government proposal on the Act on Prevention of Conflict of Interest of Public Officials to the 20th National Assembly in January 2020, the bill was scrapped when the term of the 20th Assembly ended in May 2020. The Commission, thus, made another attempt to enact the Act and re-announced the legislation of an Act on Prevention of Conflict of Interest of Public Officials in advance once again in May 2020, and underwent the government legislative process, including regulatory review, before submitting another government bill to the 21st National Assembly in June 2020.

The Proposal of the Act on Prevention of Conflict of Interest of Public Officials stipulates

specific standards of behaviors to be complied with by public officials working for central government agencies and local governments as well as executives and employees at public service-related institutions while performing their duties.

First, in cases where public officials in charge of permit and license, approval, inspection and examination, budgeting and funding, investigation and judgment, hiring and promotion, and auditing, become aware that there is a private interest between their duty and duty-related party, they are required to report to the head of the agency they belong to and make a recusal request within 5 days from the date when they became aware of the fact, so that they can be excluded from the task in question. Public officials are also required to report to the head of the agency they belong to in cases where they themselves, and their spouses engage in monetary, securities or real estate transactions with work-related personnel, to prevent improper transactions between them. The bill also contains provisions to prevent situations in the first place where public officials are faced with a conflict of interest by prohibiting them from engaging in external activities that can undermine the fair conduct of their duties, such as getting paid for personally providing advice and/or consultation to work-related personnel.

The Proposal of the Act on Prevention of Conflict of Interest of Public Officials also bans public officials from using the goods, vehicles, land and facilities of public institutions for private use. They are also strictly prohibited from using – or letting third-parties use – secret information obtained while performing their work duties for private gains. The bill requires high-ranking officials – public officials at the vice-minister level or higher, members of the National Assembly, and heads of local governments and public service-related institutions – to submit their work experience in the private sector for 3 years prior to their appointment or inauguration, applying much stricter standards for conflicts of interest than other public officials.



Future Plans

The ACRC plans not to save any means in helping to firmly establish the standards of conduct that were newly introduced by the amendment of the Code of Conduct for Public Officials across the public office. To that end, the Commission will strengthen its support and review over each public institution's effort to enact or revise their code of conduct, and vigorously carry out training and promotional activities.

Meanwhile, as the government proposal on the Act on Prevention of Conflict of Interest of Public Officials was submitted to the National Assembly, the ACRC will continue its efforts in establishing an effective legal system to manage conflicts of interests for public officials such as by actively promoting the bill among public officials and citizens so that it can be passed in the Assembly as early as possible.



Enactment and Enforcement of Improper Solicitation and Graft Act for Elimination of the Improper Solicitation Practices

History of Enacting Improper Solicitation and Graft Act and its Major Provisions

The ACRC initiated its efforts to enact the Improper Solicitation and Graft Act in 2011 to break the vicious cycle where solicitation and treatment practices resulted in corruption, by creating a system where public officials could refuse improper solicitation, money or other valuables. These initiatives have come to fruition in five years to enforce the Improper Solicitation and Graft Act on 28 September 2016 with high levels of interest and expectations of the people.

Below is the highlights of the Improper Solicitation and Graft Act, which is designed to ensure fair fulfillment of duties by public officials, etc., and gain trust of the people.

First as the scope of institutions subject to the Act, it includes constitutional institutions, such as the National Assembly, courts, etc.; all public institutions, including central administrative agencies, local governments and organizations related to public service; schools of each level, educational foundations; and press organizations.

Second is the ban on illegal solicitation. No person shall make improper solicitation to any public servant, etc. performing his or her duties, directly or through a third party. Upon receipt of an improper solicitation, a public servant, etc. is prohibited from performing his or her duties as solicited. The Act also specifies acts of improper solicitation in 14 types for those areas of high corruption risk in an attempt to present a set of clear standard in deciding whether an act constitutes prohibited improper solicitation.

Third is the ban on giving or receiving money, valuables, etc. Any public servant, etc. who accepts any money, goods, etc. exceeding one million won at a time or three million won in a fiscal year from the same person, regardless of any connection to his or her duties and regardless of any pretext, shall be subject to a criminal penalty. Upon reception of money, valuables, etc. worth one million won or less in relation to his/her duties, any public official shall be imposed an administrative fine. In addition, the Act limits an honorarium exceeding certain amount for an outside lecture that can be used as an indirect way to offer and receive money and valuables.

The last is the reporting of violations of the Act, and protection and reward for reporters. Anyone may report to any of the public institutions where the violation of the Act occurs or its supervisory institution; the Board of Audit and Inspection or investigative agencies; or the ACRC. Furthermore, the ACRC included the provisions to protect and reward reporters in the Act, such as the ban on imposing disadvantageous measures on reporters, payment of monetary awards and rewards, etc. in order to encourage reporting of violations.

Improper Solicitation and Graft Act Becoming a Norm in Life

The Improper Solicitation and Graft Act has positioned itself as the norm not only in the public service, but in daily life, and been recognized by the people as the driver of positive change across the nation. In the survey on the awareness of the Act, while 87.3% of the general public responded that the enforcement of the Act positively affected our society in September 2017, the first year of the implementation, the rate rose to 88.% in August 2020, the fourth year; and the positive response rates of public officials grew from 93.4% to 97.2% during the same period of time, demonstrating a high level of support for the Act in general in our society. Based on this public support for the Improper Solicitation and Graft Act, the ACRC is focusing its capabilities on creating a credible culture of civil service through stable enforcement of the Act.

Awareness survey result (Hankook Research)

Percentage of respondents who answered that the Act's implementation has positive effects on our society

Survey period	Citizens	Public officials	Public service-related institutions	Journalists	Teachers and school staff
Aug. 2020	88.1	97.2	96.5	82.1	94.4
Aug. 2019	87.7	96.6	97.7	79.2	92.8
Sept. 2018	87.5	95.0	96.0	81.0	91.9
Sept. 2017	87.3	93.4	95.7	71.1	91.6

Vigorous Education and Promotion Activities through Collaboration

The ACRC has been hosting workshops and meetings for internal anti-solicitation officials in public institutions, so that it can help improve the understanding of public officials, etc. subject to the Act about the provisions and reinforce the capability of each public institution to implement relevant programs. Through workshops and meetings, the ACRC provides field-oriented training on the main points of the Act; case studies and interpretation of major precedents; and precautions for protecting reporters, report-handling cases and investigation methods.

In June 2019, the ACRC concluded MoU on business agreement of prohibition of improper solicitation with five public enterprises (Korea Railroad Corporation, Korea Electric Power Corporation, etc.) that are most relevant to people's life. Taking advantage of the agreements as a momentum, we were able to encourage the public institutions' voluntary efforts in improving their system and culture, and have in-person meetings with duty-related parties, including constructor and site managers, to raise their awareness of common violation types while performing duties.

The ACRC was also committed to educating a wider range of people subject to the Act with a focus on using audiovisual content to help the public become more familiar with the Improper Solicitation and Graft Act: Card News – news articles with images – on precautions regarding the Act during the period of traditional holidays where gifts

are commonly exchanged; distribution of video content through the ACRC's YouTube channel (podcast targeting the Chuseok season and live broadcast of Talk Concert); and appearance in e-briefing and live broadcast. In celebrating the 3rd anniversary of the Act's implementation, the Commission held a talk concert in September 2019 under the theme of 'the Improper Solicitation and Graft Act for Greater Transparency,' where the achievements over the years and changes felt by the panelists in daily lives – consisting of ordinary citizens from different generations and fields – were shared with the general public, with the number of simultaneous viewers of the event standing at over 3,000.

Future Plans

The Improper Solicitation and Graft Act is still gaining a lot of attention, even after 4 years of its enforcement. The ACRC will continue our policy efforts in firmly establishing the Act across our society to fundamentally eliminate wrongful practices in order to meet the heightened integrity standards of the people.

At the same time, we will also carry out our efforts to perform aggressive education and promotion activities about the Act, among not only public officials and teachers, but journalists and the general public so that more people are aware of the significance of abiding by the Improper Solicitation and Graft Act. Furthermore, we will continue to make institutional improvements through constant monitoring of areas that fail to meet the rationale behind the legislation as well as expectations of citizens, and oversee how each public agency is following up on our recommendations for improving their institutions.

Operation of Property Registration System for Public Officials

Background

The Public Service Ethics Act (enacted on 31 December 1981 and enforced on 1 January 1983) was enacted to prevent improper enrichment of public officials and to ensure fairness in the execution of official duties, which led to the declaration of public officials' property and review of the disclosed and registered property. In the beginning, when a person subject to property registration submitted a property report containing information about the status of his/her property to the person in charge of ethics affairs of the agency, the person in charge conducted a property review by manually comparing paper report submitted by the official and the documents issued by financial institutions and others. This was not only inconvenient for property reporting, but also time-consuming and uneconomical for the person in charge of handling the work.

Therefore, in order to provide convenience for property registration to persons obligated to register property and to efficiently support property review work of the person in charge of ethics affairs, the property registration system and property review system were established and operated respectively in 1999, which later evolved into the Public Ethics and Transparency Initiative (PETI)* System.

※ PETI (Public Ethics and Transparency Initiative) : <https://www.peti.go.kr>

Major Developments

Starting with the establishment of programs for PCs in the initial stage, the property

registration system was rebuilt based on the web in 2005 and operated for 10 years after integrating the property registration and review system in 2008. In 2018, the government comprehensively transformed the aging system to the next-generation PETI system which systematically and efficiently supports the overall public service ethics programs, such as property registration and disclosure, property information review, blind stock trust, gift reporting, employment screening on retired public officials, and others. Currently, PETI System is used by more than 230,000 people in 1,500 organizations, such as the National Assembly, the Constitutional Court, central administrative agencies, local governments, education offices, and public service-related organizations.

A person subject to property registration reports using a series of functions related to property registration on the System, such as registration of personal and relatives' information; application and permission for refusal to register property information by family members other than dependents; submission of consent for the provision of financial information and real estate information; reporting of 16 items of property, including finance, real estate, debt, etc.; and submission of explanatory materials for the process of acquiring property.

A person in charge of ethical affairs of each agency manages the persons subject to property registration, and generates a property report; reviews the consent for the provision of financial and real estate information, and requests relevant data; selects and reviews the subject of property information review; reviews and approves report refusal applications; and others through the system.

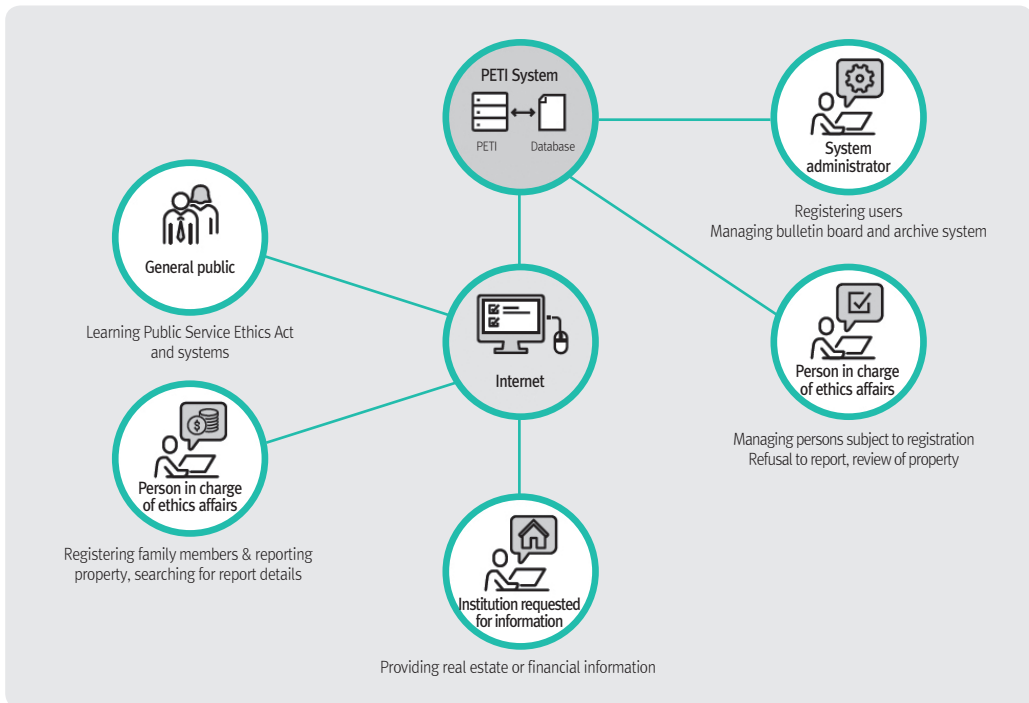
A personnel in an agency that provides financial and real estate information, etc. offers property information online, such as financial balance information, real estate (land and building) information, and membership information of the person subject to property registration upon the request of provision.

In addition to property registration and review, the system supports various public service ethics tasks, including the examination of blind stock trust and job relevance for

the stocks a person owns, the management of employment restrictions on retired public officials (such as management of those subject to employment review, employment review and approval, confirmation of violations, etc.), and the reporting of gifts received from foreign governments.

In order to enhance citizens’ understanding of the PETI System and their trust in public officials, the website provides information on public service ethics, such as the Public Service Ethics Act, property registration and review, blind stock trust, restrictions of employment and activities on retired public officials, reporting of gifts, and others.

Functional diagram on PETI system applicability by user type




Achievements

The development of the PETI System made it significantly easier for those subject to property registration. They can now search for their financial transaction and real estate information, etc. upon submission of the consent over providing their information without visiting financial institution, etc. one by one; and report their property over the system in any place where the Internet is available. It also has saved considerable amounts of time and financial costs that once required for visiting multiple institutions and issuing different sets of financial transaction and real estate information from the offices. Before the PETI System, apart from the psychological burden in registering their property and being under review, the time and financial cost required also contributed to the negative perception of individuals subject to property registration. However, as the System has saved the individuals from the time and money, they have come to more faithfully report the property.

Furthermore, compared to the past when individuals had to visit relevant institutions, issue required documents one by one, and fill out the report form based on the documentation before submitting the form to declare their property, now the system helps the officials subject to registration accurately and conveniently report without any information left out by allowing them to check information transferred by financial and real estate information provider institutions in the system before declaring property.

Personnel in charge of ethics affairs, too, are benefiting from the system where it relieves them from the inconvenience of exchanging documents with hundreds of data provider institutions to acquire data necessary for reviews, while allowing them to digitally process all the relevant work, including property review and its disclosure, which has substantially increased efficiency and accuracy of the duty to ultimately contribute to better public service ethics.



Employment Restriction on Retired Officials

Overview

The purpose of Employment Restriction on Retired Officials is to enhance fairness in executing public officials' duties and establish public service ethics by blocking the formation of a collusive tie in advance where public officials during their office provide special treatment to a specific entity for their future re-employment and by preventing retired public officials from exercising unjust influence on institutions they previously belonged to.

Retired public officials subject to employment screening shall be prohibited from getting employment at employment-restricted institutions which are closely related to duties of the department or institution to which the public official belonged for 5 years before he or she retires, for 3 years after the date of retirement. The retired public officials are allowed to be employed only if a competent public service ethics committee verifies of no close work relatedness or grants approval for employment. The Minister of Personnel Management finalizes the list of employment-restricted institutions by December each year (by June 30 for associations) adhering to the following criteria and publishes it in the official gazette.

Employment-restricted Institutions

- A for-profit company with capital amounts to not less than 1 billion won and with apparent transactions to not less than 10 billion won
- A law firm, etc., accounting firm, and foreign legal consultant office with apparent transactions to not less than 10 billion won
- An association where a employment-restricted private enterprise is a member
- A public service-related organization, etc. performing duties of supervision of safety, regulation on authorization and permission, and procurement

Efforts to Reinforce Employment Restriction

Since the adoption of the employment restriction system following the enactment of Public Service Ethics Act on 31 December 1981, the government has been gradually strengthening the employment restriction to prevent collusive public-private ties and to secure fairness in execution of public officials' duties. Major changes over the past decade are as follows.

Year	Major Improvements in Employment Restriction
2011	<ul style="list-style-type: none"> • Criteria for determining relevance to public duties before retirement: 3 years → 5 years • Added law, accounting and tax accounting firms to employment-restricted institutions • Adopted restriction on activities of retired public officials such as the ban on improper solicitation, unfair assistance, and others
2014	<ul style="list-style-type: none"> • Employment restriction period: 2 years → 3 years • Added nonprofit corporations to employment-restricted institutions * No. of employment-restricted institutions: 3,931 (2013) → 13,466 (2014) • Expanded employment screening scope for public officials of grade 2 or higher (department → institution)
2016	<ul style="list-style-type: none"> • Introduction of public announcements of employment history • Increase in number of public officials subject to employment screening (including Korea Rail Network Authority, Korea Trade Insurance Corporation)
2018	<ul style="list-style-type: none"> • Expanded the notified scope of employment-restricted institutions to associations, etc. (by June 30 each year)

Review of Employment Approval and Confirmation Review of Employment Restriction

In each screening, the relevant screening body reviews whether the institution to be employed is closely related to the duties of the department (institution for high-ranking officials) to which the person subject to employment screening was affiliated for 5 years prior to retirement and determines the close relevance based on the experience in duties related to financial assistance, authorization and permission, inspection and audits, imposition of taxes, contracts, supervision, investigations, and others.

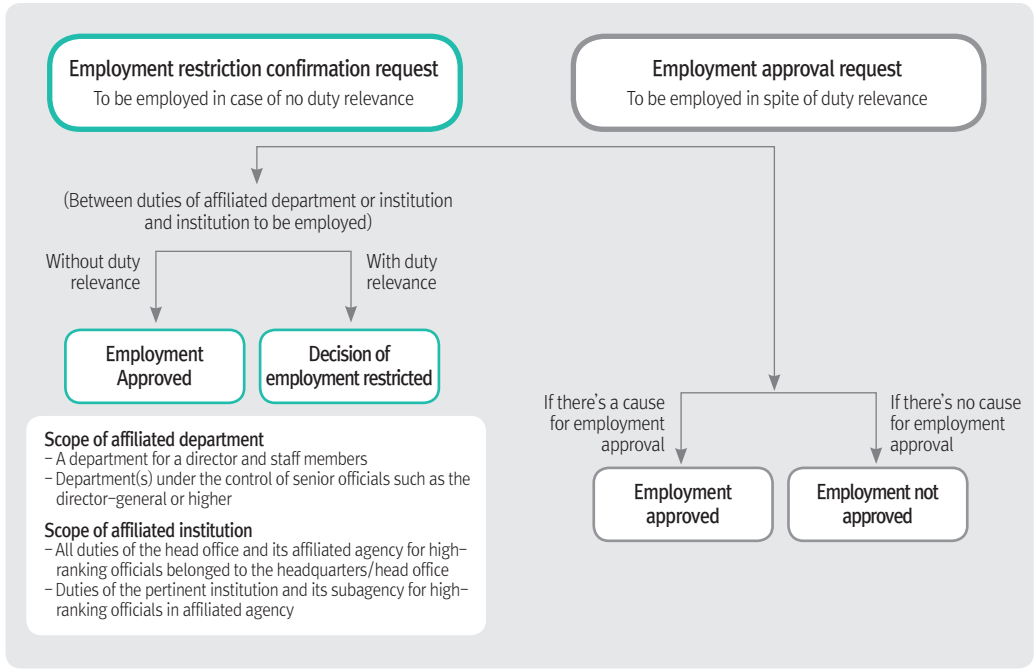
If retired public officials intend to be employed at employment-restricted institutions with duty relevance, they shall request ‘review of employment approval’. The relevant screening body determines if there is a special cause for employment in spite of duty relevance on the basis of Paragraph 3 of Article 34 from the Enforcement Decree of the Public Service Ethics Act.

Cases for Employment Approval

(Paragraph 3 of Article 34 from the Enforcement Decree of the Public Service Ethics Act)

- Where the applicant’s employment is necessary for national security, bolstering national competitiveness, or enhancing public interests
- Where it is deemed that the applicant who holds a qualification in a technical field and may specifically contribute to developing the relevant industrial field and promoting science and technology
- Where the applicant was employed for a specific period, to a position requiring professional knowledge and skill under an employment contract, and is to be re-employed after retirement in the field wherein he/she had been formerly engaged, and others

If the applicant intends to be employed at employment-restricted institutions with no duty relevance, then he/she will file an application for ‘confirmation review for employment restriction’. If the screening body confirms that there is no close duty relevance between the institution to be employed and the duties of the department or institution to which the person subject to employment screening was affiliated for 5 years prior to retirement, it issues “Employment Approved” while “Employment Restricted” in the event of confirming close relevance.



Employment Restriction on Former Public Officials Dismissed for Corruption Charges

Overview

Employment Restriction on Former Public Officials Dismissed for Corruption Charges, etc. was introduced in the Anti-Corruption Act in 2001 to safeguard public trust on the public sector by restricting reemployment of public officials who are dismissed for corruption charges for certain amount period and prevent public officials' corrupt behavior in advance. Therefore, public officials who have rightly resigned, or have been dismissed or removed from office for corrupt acts in connection with their duties (hereinafter referred to as "public officials dismissed for corruption charges"), are prohibited from getting employment at public institutions or for-profit companies and associations over a certain size closely related to the department or institution to which the public official belonged for 3 years before he or she resigns, for 5 years after the date of resignation.

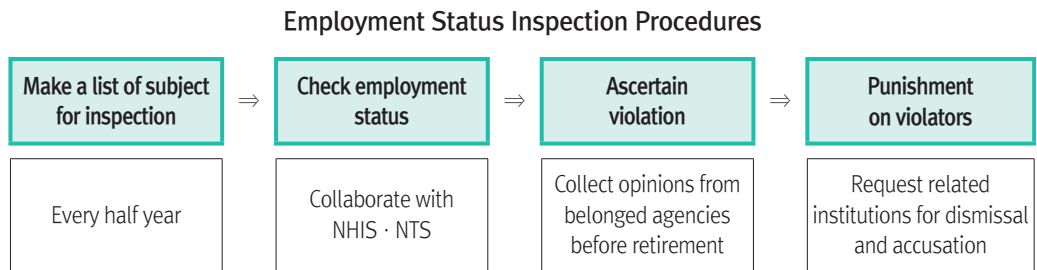
According to the amendment of the ACRC Act in March 2016, employment restriction has strengthened with the scope of institutions and retired public officials subject to employment restrictions significantly expanded. Besides public officials dismissed for corruption charges, retired officials who were sentenced to a fine of 3 million won or more for corrupt acts while in office were added to those subject to employment restriction and the scope of employment-restricted institutions was also expanded to public institutions, corrupt act-related institutions, for-profit private enterprises and associations, etc. closely related to the department or institution to which the public official belonged for five years before he or she resigns.

The ACRC conducts regular inspection on the employment status of public official who

have been dismissed for corruption, etc. to enhance effectiveness of the employment restriction. When the ACRC confirms the employment of public officials dismissed for corruption charges, etc., the Commission demands punishments such as revocation of employment or accusatory measures⁴⁾ on the employed at employment-restricted institutions after ascertaining whether regulations applied to the employed have been violated.

Inspection on the Employment Status (Twice Each Year)

The ACRC conducts an inspection on the employment status of public officials who have been dismissed for corruption twice each year on a basis of the ACRC Act.



Under the ACRC Act, in the case of a person dismissed for corruption, etc. is employed in an institution subject to restriction on employment, he/she shall be punished by imprisonment with labor for not more than two years or by a fine not exceeding KRW 20 million and the institution subject to restriction on employment which refuses a request for the violator's dismissal without any justifiable reason shall be subject to an administrative fine not exceeding KRW 10 million.

4) Violators of the employment restriction provision shall be punished by imprisonment with labor for not more than two years or by a fine not exceeding KRW 20 million.

Future Plans and Direction

The ACRC plans to take various measures to promote legislation by multiple channels of the National Assembly proposal support and the government proposal submission, after coming up with a policy proposal for improvement focusing on making employment confirmation (prior examination), submission of relevant materials from public institutions where a public official is dismissed for corruption, and employment restriction guide to a person dismissed for corruption, mandatory to prevent employment restriction violation and manage persons dismissed for corruption, etc. efficiently.

On the other hand, the Commission will make continuous effort to eliminate a lack of supervision in management of employment restriction on former public officials dismissed for corruption charges by requesting relevant institutions such as Government Employees Pension Service, National Police Agency, and National Tax Service to review the list of public officials and military personnel ineligible to get pension, criminal record, and data on other income, respectively, to check the potential omission from the list of public officials subject to employment restriction notified to the Commission and the employment status not identified through health insurance.

Procedures for checking omitted officials subject to employment restriction



Eradication of Preferential Treatments

Background

The Republic of Korea has adopted employment restriction on retired public officials since 1983 to block the formation of collusive ties between retired officials and enterprises and to prevent exercising unjust influence on institutions they previously belonged to before the retirement. Although the country has been reinforcing the employment restriction provisions, still some public have a perception where high-ranking public officials receive preferential treatments from enterprises, etc. after their retirement. In this regard, in order to address concerns over the private-public collusion, the MPM is preparing and promoting ‘measures to eradicate preferential treatments for retired officials’ aiming to establish a regular monitoring system on activities of former public officials along with the implementation of strict employment screening.

Eliminating the Possibility of Forming a Collusive Public-Private Ties through Tackling “Blind Spots” in Employment Restriction Provisions

Under the current law, public officials of grade 4 or higher (grade 7 or higher for particular fields) shall be reviewed by a public service ethics committee to be employed at private enterprises, etc. over a certain size for 3 years after their retirement. The MPM amended Public Service Ethics Act (enforced on 4 June 2020) in December 2019 to tackle “blind spots” in the current provisions, which designated industries in safety including food, defense, and private education areas directly related to public welfare, as institution

subject to employment screening for a strict examination, regardless of their size.

In addition, the MPM reinforced its capabilities to better detect and prevent those temporarily employed, who avoid employment screening. While data of national health insurance had been used for detecting persons reemployed temporarily without going through employment screening, the amendment of Public Service Ethics Act (enforced on 4 June 2020) allowed the authority to detect persons temporarily employed such as an advisor or counsel by additionally reviewing tax payment data.

Eradicating Practices of Preferential Treatments through Enhancing Effectiveness of Restrictions on Activities Provisions

The Republic of Korea has adopted restrictions on activities of retired public officials since 2011 which prohibit providing unfair favors or assistance, etc. related to the duties after their reemployment to prevent former officials from exerting influence.

For stronger enforcement of the restrictions on activities provisions, it plans to expand detection of violating duties by launching a center for reporting and is pushing forward the amendment of Public Service Ethics Act to require hiring institutions to dismiss former public officials re-employed under the employment approval by a public service ethics committee, who violated activities restriction rules, as well as to be imposed criminal punishments under the current law.

Furthermore, in order to raise awareness of the restrictions on activities which are relatively less familiar to public officials than the employment restrictions, a revised guidelines with detailed restrictions on activities provisions for retired public officials in accordance with their duties and circumstances were published in April 2020 and education about the obligation of activity restrictions to retired public officials will be strengthened.

Building a Foundation of Trust through Operation Enhancement of Public Service Ethics Committees

The role of a public service ethics committee is to examine the duty relevance, etc. between affiliated department or institution of the retired public officials and the institution to be employed and to determine approval of their employment. In order to facilitate external monitoring on the decision of a committee, it will disclose reasons for the decision starting in June 2020, while it has published only the result of employment screening so far.

In addition, aiming to meet the public expectations and reflect various perspectives, it is pushing forward with a plan that increases the number of private commissioner from 7 (out of 11) to 9 (out of 13), and determined to conduct stricter screening on high-ranking public officials as they are expected to actively engage in lobbying activities after the reemployment.

Organizing and Operating T/F for Eradication of Preferential Treatment for Retired Judicial Officials

The definition of preferential treatment for retired judicial officials refers to a situation where judicial proceedings are determined not by laws and principles but by favors based on connection between attorneys who were previously in public service and public officials. Preferential treatment for retired judicial officials has long been pointed out as judicial ills which cause distrust in judicial system and undermine the rule of law as their nature is prone to evolving into corruption of public officials. Given that the majority of the public perceive the preferential treatment for retired judicial officials is occurring, it is urgent to identify measures to eradicate preferential treatment for retired judicial officials.

In response, the Ministry of Justice organized the Task Force for Eradication of Preferential Treatment for Retired Judicial Officials as a follow-up measure of the 5th session of Anti-

Corruption Policy Consultation Council on 8 November 2019 presided by the president. The Task Force was operated from November 2019 to February 2020 consisted of experts in academia, Korean Bar Association, Legal Ethics and Professional Conduct Council and others. In Task Force meetings, various measures eradicating preferential treatment for retired judicial officials were discussed covering all stages from eliminating preferential treatment in prosecution investigation process, expanding restriction period of accepting cases for attorney-at-law retired from the public office, blocking activities of law brokers, to reinforcing ex post discipline and the Ministry of Justice came up with measures to eradicate preferential treatment for retired judicial officials built on the above-mentioned discussion and announce them on 17 March 2020.

Ministry of Justice Identified Measures to Eradicate Preferential Treatment for Retired Judicial Officials

Measures to eradicate preferential treatment for retired judicial officials can be divided as follows: ① restricting retired judicial officials to become an attorney at all, ② blocking preferential treatment in a preemptive and preventive manner, ③ minimizing the influence of attorney previously in public office by improving judicial proceedings, especially criminal procedures, ④ reinforcing ex post monitoring and sanctions. However, a measure to restrict retired judicial officials to become an attorney at all (①) was excluded from the latest announcement of the Ministry of Justice, as it requires improvement of corporate culture and personnel management system, and others.

Concrete measures by the Ministry of Justice to eradicate preferential treatment for retired judicial officials cover all stages as follows: ① [Acceptance and defense stage] expansion of restriction period of accepting cases for attorney-at-law retired from public office, stronger punishment for providing secret defense, ② [Measure to block activities of law brokers] establishment of obligation and sanctions about prohibiting the advertisement of connections with unregistered retired public officials and joint penal provisions to law firms, ③ [Prosecution investigation stage] regulation on defense by call, measures

to enhance transparency in investigation procedures, ④ [Discipline stage] securing members dedicated to investigation of the Legal Ethics and Professional Conduct Council, establishment of disciplinary system and stronger disciplinary actions, and others.

Measures of the Ministry of Justice to Eradicate Preferential Treatments for Retired Judicial Officials

Category	Major measures
Attorney-at-law acceptance and defense stage	<ul style="list-style-type: none"> • Expansion of restriction on case acceptance period for attorney-at-law retired from public office • Expansion of grounds for punishment of “secret defense” and reinforcement of punishment • Strengthening punishment on dealing with a case directly related to him or herself
Blocking law broker activities	<ul style="list-style-type: none"> • Reinforcement of sanctions on providing cases by court and investigating officials • Establishment of new regulations on unregistered office staff and retired public officials • Enactment of guidance and supervision liability and joint penal provisions for office staff, etc. • Establishment of sanctions against violation of obligation to submit statement of duties for retired public officials
Investigation procedure stage	<ul style="list-style-type: none"> • Measures to regulate defense by call and block unfair influence • Enhancement of transparency through internal system (KICSP) such as defense history, etc. • Improvement of transparency through making external system such as defense history, etc. public • Adoption of position responsible for prevention of preferential treatment for retired judicial officials
Enhanced function of Legal Ethics and Professional Conduct Council, establishment of disciplinary standards	<ul style="list-style-type: none"> • Installation and operation of center for reporting judicial corruption • Installation of investigation task force dedicated to judicial corruption • Revision and reinforcement of attorney-at-law discipline system of Korean Bar Association

With the implementation of the above-mentioned measures, it is likely to regulate

“defense by call” and “secret defense” which have long been pointed out as detrimental ills in preferential treatment for retired judicial officials. Moreover, the Ministry expects that public trust on judicial system will be recovered and fair judicial system will be settled with the expansion of restriction period of accepting cases for attorney-at-law retired from public office, blocking the exertion of unfair influence through regulating defense provision using social status before the retirement, and transparently disclosing attorney-at-laws, defense history, and defense activities.

Promoting Prompt Institutionalization of Eradication Measures for Preferential Treatments of Retired Judicial Officials

The Ministry of Justice will strive for prompt institutionalization of measures for eradication of preferential treatments for retired judicial officials T/F announced recently through discussion with relevant institutions such as Court, Prosecutor’s Office, Korean Bar Association. Given the fact that preferential treatment for retired officials is difficult to eradicate with one-time measures, the Ministry is determined to continuously review whether the system is implemented effectively and whether there is a new type of preferential treatment for retired officials, and others while improving the system going forward.



Monitoring and Detection of Corruption

Operation of the System for Reporting Corruption and Public Interest Violations

Overview

The corruption reporting system was established to protect people's basic rights and interests, ensure appropriateness of public administration, and establish a social environment with integrity by preventing acceptance of bribes by public officials, waste of public budget, etc. thereby efficiently regulating the corrupt acts specified in the ACRC Act. The system was introduced under the Anti-Corruption Act in 2002.

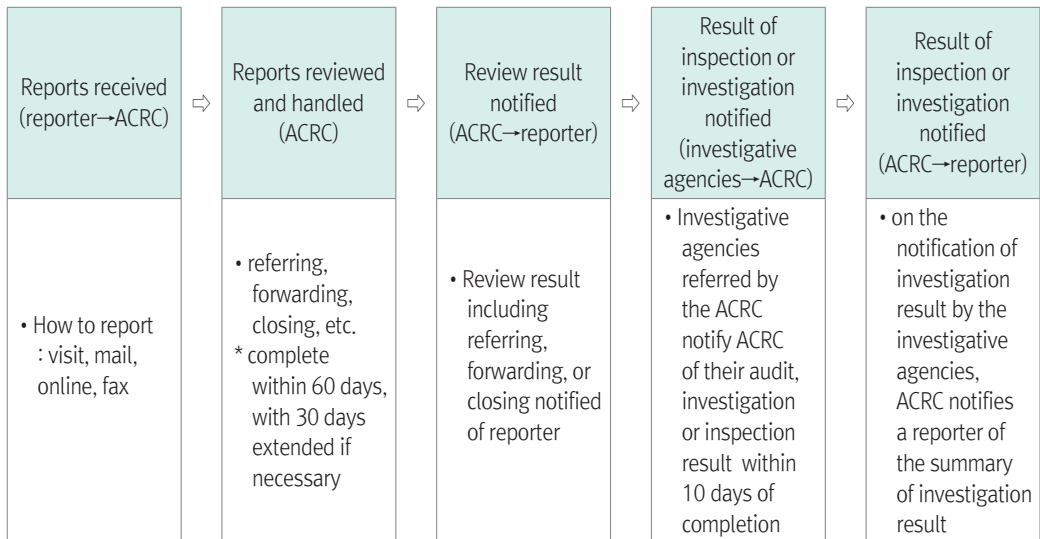
Nevertheless public interest violations in the private sector cause social chaos and public spending, the reporting system was limited to the public sector. Therefore, there existed a blind spot in the law and institution where the protection was not provided in cases where disadvantages may occur due to the reporting of public interest violation in the private sector. Thus, the Protection of Public Interest Whistleblowers Act was enacted and implemented on 30 September 2011 as a measure to prevent and control acts of violating public interests closely related to life of public in the private sector, such as those undermining public health and safety, the environment, consumer interests, and fair competition, and others.

Any person may report a act of corruption or act detrimental to the public interest and a public official shall report it when he/she becomes aware of such act in the course of duty. The reporting person may apply for reward and protection measures including maintaining confidentiality, status guarantee, etc. However, if a person files a report despite being aware or in a position to be aware of the fact that the details of the report were not true, he/she is not entitled to protection.

Processing and Receipt of Corruption and Public Interest Violation Reports

When a report is submitted at the corruption and public interest violation report center, the ACRC may refer it to the Board of Audit and Inspection if it deems necessary for an audit according to the BAI Act; the investigative authorities if the case involves criminal charges or requires a criminal investigation; and the supervisory institution of the public agency in question, for the other cases.

Process of handling corruption or public interest violation reports



The investigative agency to which the report is referred shall finish an audit, investigation or inspection, and notify the result to the ACRC within 10 days. The ACRC shall inform the reporter of the result summary upon being notified of the investigation or inspection result. In addition, in the case of the audit, investigation or inspection by the investigative authorities is deemed inadequate, re-inspection may be requested to the investigative authorities based on reasonable causes such as the submission of new evidentiary materials.

Reinforcement of Control and Punishment for Corruption Crimes

Direction of Corruption Crimes Control and Crimes of Priority Control

The Prosecution Service of the Republic of Korea strives to realize a fairer and more transparent society by focusing investigation on corruption in various sectors in our society such as five major grave corruption crimes including bribes which undermine national competitiveness and transparency, corruption in the defense industry which affect national security, corruption related to the outflow of national wealth, entrenched corruption at a local level, corrupt personnel management and hiring practices in public institutions, financial and securities crimes, and by enforcing corresponding punishment

Crimes of Priority Control

5 major grave corruption crimes	<ul style="list-style-type: none"> • Bribes, acceptance of property through arrangement, acceptance of bribe through good offices, embezzlement, and breach of trust
Corruption in defense industry	<ul style="list-style-type: none"> • Structural corruption in the defense industry which affects national security
Corruption related to national wealth outflow	<ul style="list-style-type: none"> • Crimes related to leakage of advanced technology from enterprises with nation's core technology
Entrenched corruption at a local level, corrupt hiring practices	<ul style="list-style-type: none"> • Entrenched corruption at a local level • Corrupt personnel management or hiring practices in public institutions and private sectors with strong public nature
Financial and securities crimes	<ul style="list-style-type: none"> • Financial crimes such as accounting fraud, etc. which generates many victims • Securities crimes such as large-scale share price manipulation and use of undisclosed information, etc.

through establishing a system for disciplinary actions and intensive tracing and collection of gains earned from corruption crimes illegally and through demanding stronger punishment in the prosecutor's office.

Strengthening Control on Corruption Crimes

Since the establishment of anti-corruption department at Supreme Prosecutors' Office in 2013, anti-corruption special investigation departments (teams) across the country has led the investigation on corruption in nuclear power plants, railways, marine transportation, etc. which threat public safety, corruption in national subsidy, underground economy criminals such as fake tax bill agents to eliminate corrupt practices in our society, and in November 2014 conducted thorough investigation on corruption in the defense projects across the board by organizing Joint Investigation Team on Defense Projects at Seoul Central District Prosecutor's Office.

In 2017, anti-corruption special investigation departments (teams) of the prosecutor's offices nationwide led the effort to carry out full-scale and permanent control through identifying the phenomena and structural cause of five major grave corruption crimes in the Anti-Corruption Policy Consultative Council presided by the president, and corruption crime controlling was reinforced with implementation of investigations tailored to each region after designating focus area of investigation in accordance with regional circumstances by analyzing chronic ills from entrenched corruption by region, and others.

Moreover, the authority is making efforts to firmly set up a perception that "you can't make money by crimes" in overall society by more thoroughly tracking and recovering criminal proceeds earned illegally from corruption crimes with the establishment of the Criminal Asset Recovery Division at the Supreme Prosecutor's Office and the Criminal Asset Recovery Department at Seoul Central District Prosecutor's Office in February 2018.

Reinforcing Punishment for Corruption Crimes

In June 2018, the authority strengthened the punishment on corruption crimes by revising and implementing a) handling guides of five major grave corruption crime cases to add the grounds of confinement in bribery crime to confinement criteria; b) handling guide of economic criminal cases to add mandatory grounds of confinement for embezzlement and breach of trust, committed by Chaebol founding families, etc. With regards to corruption crimes, it is making continuous effort to secure the sentence to correspond to the seriousness of offences by maintaining a persistent public prosecution through filing an appeal in principle if a sentence handed down by courts is not heavy enough compared to one demanded by the prosecution.

The Supreme Court of Korea came up with Established Rules regarding Installation of Corruption Crime Division for more professional and concentrated trial by allocating corruption cases to the Corruption Crime Division separately from other general criminal cases.


Stronger Recovery of Criminal Proceeds from Corruption

Improving Legislation for Recovery of Criminal Proceeds such as Act on the Regulation and Punishment of Criminal Proceeds Concealment

Act on Regulation and Punishment of Criminal Proceeds Concealment was enacted on 27 September 2001 to regulate the concealing act of criminal proceeds related to specific crimes and to remove economic factors which encourage specific crimes by prescribing special cases for confiscation and collection of equivalent value with the aim of contributing to maintaining sound social order. In April 2019, crimes of leaking technology to overseas, crimes related to hazardous chemicals, Medical Service Act violation (illegal operation of medical clinics by non-medical personnel), crimes of unlawful information acquisition, digital sexual crimes and others were added to serious crimes under the Act according to the implementation of the amendment. Under the current law, it is not possible to recover criminal proceeds if the case is not defined as a serious crime under the Act as the definition of serious crimes, which become the premise of criminal proceeds are listed. It was necessary to confiscate and collect all the criminal proceeds earned from the serious crimes such as the production or distribution of pornography using one of the disadvantaged, particularly child or youth as a source, reception of rebates, etc. related to choosing medicines, unlawful leakage of personal information, and others. With the amendment of the Act, now it is possible to swiftly freeze criminal proceeds with an order for preservation of property for the purpose of confiscation or collection of equivalent value; to punish on the charge of money-laundering when the perpetrator conceals the criminal proceeds in some place, or disguises such assets as legitimately acquired; and to even confiscate and collect acquired assets from criminal proceeds which has already been disposed, allowing the

authority to recover criminal proceeds in a more thorough manner.

On the other hand, in August 2019, the amendment of Act on Special Cases Concerning Confiscation on Corrupt Assets was implemented to confiscate and collect criminal proceeds earned from voice phishing, fund-raising business without permission, multi-level marketing fraud, etc, which target many random people and to return the proceeds to the victims. Before the amendment, although there was frequent occurrence of fraud cases such as fund-raising business without permission generating a large number of victims, the victims had to file a civil suit against the offender to get their damages recovered as property damage caused by such fraud crimes was not subject to confiscation and collection by the authority. Therefore if property damage from fraud becomes crime victim property under the Act on Special Cases Concerning Confiscation on Corrupt Assets, government would be able to recover the damages of the victims by confiscating and collecting offender's property, and to return it to the victims, Under this context, it was necessary for the government to provide actual damage recovery to the victims by swiftly confiscating and collecting crime victim property found during the investigation of fraud cases such as fund-raising business conducted without permission. With the implementation of this amendment, it is expected to provide actual protection to victims of fraud cases such as voice phishing because they can receive back their property damage found by investigation agency, after being frozen through prosecutor's conservation request for confiscation and collection, and court's freeze order, and finally through a verdict of criminal trial, without having to go through complicated civil suits and compulsory execution procedures.



Enactment of the Act on the Establishment of the Corruption Investigation Office for High-ranking Officials

Rationale behind Enactment and Significance of the Act

Crimes committed by high-ranking officials undermines the trust on the government and is becoming one of the main causes that weakens the transparency and responsibility in the public sector. Thus, the necessity of introducing an independent investigation agency to strictly investigate corruption related to the duties of high-ranking public officials has been raised consistently.

Under the current law, the prosecution or special prosecutor system demonstrates structural limitations on identifying substantive truth when handling cases related to high-ranking officials. Although permanent special prosecutor system has been implemented since 2014, it's not working as it planned from the beginning because the system requires to go through a resolution of the National Assembly on the subject of investigation and appointment procedures for the special prosecutor, after a specific event takes place.

Therefore, the government established the grounds for installing the Corruption Investigation Office for High-ranking Officials which is able to investigate independently crimes of high-ranking officials and set up items necessary for its organization and operation, aiming to eradicate crimes by high-ranking officials and to enhance the transparency of the nation and trust on the public service.

The objective of introducing the Corruption Investigation Office for High-ranking Officials is to tackle problems generated from the current prosecution system where prosecutors

hold the world's strongest investigation power and exclusive right to prosecution. The Office refers to examples in overseas such as the Independent Commission Against Corruption of Hong Kong and the Corrupt Practices Investigation Bureau of Singapore which succeeded at creating an anti-corruption environment at the national level.

Progress and Plans

Prosecution Reform Committee (consisted of 17 experts from the private sector) installed in the Ministry of Justice urged to enact the Act on the Establishment and Operation of the Corruption Investigation Office for High-ranking Officials in July 2017, and the Ministry of Justice accepted and proposed its own measure regarding Corruption Investigation Office for High-ranking Officials in response.

The National Assembly organized the Judicial Reform Special Committee in 2018 and as it started to discuss 7 bills prescribing the establishment of an independent investigation agency, eventually, the Act on the Establishment and Operation of the Corruption Investigation Office for High-ranking Officials was passed at the plenary session of the National Assembly in December 2019 and was promulgated next year in January 2020.

On February 10, Preparatory Group for Establishment of the Corruption Investigation Office for High-ranking Officials was installed under the Prime Minister and the Group is taking necessary steps such as designing organizational structure, carrying out personnel recruiting, securing budget and work spaces, and prescribing various laws and rules needed for operating organization and conducting duties to launch the Corruption Investigation Office for High-ranking Officials.



Protection and Reward for Whistleblowers

Protection and Reward for Corruption Whistleblower

Significance of the System

The system of protecting corruption reporters was designed to promote the reporting of corruption to efficiently regulate and prevent corrupt acts, by encouraging anyone to report an act of corruption to the ACRC or public institutions with a peace of mind when becoming aware of such act.

The reward system for corruption reporters is to provide financial compensation to the reporters, considering the level of contribution to society or scale of national revenues in cases where the reporting contributes to recovery of or increase in revenues or decrease in public expenses, prevention of loss of public institutions, promotion of public interest, etc.

Protection and Reward for Corruption Reporters has implemented since the enactment of the former Anti-Corruption Act along with the launch of the Korea Independent Commission against Corruption in 2002. Since then, the current protection and reward system for reporters has been established after going through multiple amendments to tackle legal loopholes.

Amendment History of the ACRC Act concerning Protection and Reward for Corruption Reporters

In 2005, the ACRC came up with grounds for providing protection to corruption reporters who report to affiliated or supervisory institutions of a reported person besides the ACRC,

adopted liability exemption regarding violation of the duty to maintain confidentiality, and added various penalties for not taking protective measures for reporters. Moreover, reward payment criteria and its maximum amount were adjusted upwardly and award provision was newly established.

In 2007, the Commission laid the grounds for protecting whistleblowers who reported on the acts of violating the Code of Conduct for Public Officials, and revised the ACRC Act to allow a non-public official reporter to request measures for guarantee of position such as reinstatement to organizations or institutions he/she is affiliated with.

In 2016 a new system was introduced so that in cases where disadvantageous measures are planned or underway due to corruption report, the ACRC may request a temporary suspension in implementation of measures to the heads of related institution, enterprises, etc. In 2017, legal grounds were established so that protective measures to corruption reporters in private schools shall be provided.

In 2018, criminal punishment on persons who disclose information of reporters were reinforced. In 2019, scope of reporters subject to protective measures expanded to people who testify about corrupt acts before the court or the National Assembly, or accuse of or report corrupt acts to the investigation agency so that the protective measures would be applied to them. Charges for compelling compliance, recommendation for reconciliation, and relief funds, etc. were introduced as well, enhancing the protection level for corruption whistle-blowers as strong as those in the Protection of Public Interest Reporters Act.

Guarantee of Position for Corruption Reporters

No person shall take disadvantageous measures such as discharge, discipline, etc. against a reporting person and his/her cooperator by reason of reporting, etc. However, in cases where a reporter or a cooperator receives such disadvantageous measures,

he/she may request for guarantee of position to the ACRC. If the ACRC confirms disadvantageous measures taken to a reporter or a cooperator by reason of reporting according to investigation result, it may request measures of reinstatement, etc. to the head, etc. of institutions or enterprises the reporter belongs to.

Between the enactment of the former Anti-Corruption Act in 2002 and September 2020, a total of 384 requests for guarantee of position were filed by reporters and cooperators. Out of them, 339 requests were handled and 110 were accepted. During the investigation of the ACRC, it requested a temporary suspension on the process of taking disadvantageous measures against reporters in 7 cases.

Handling of Requests for Guarantee of Position

(Unit : case)

Year	Total	Accepted	Dismissed	Rejected	Closed	Under investigation
2002~ Sept. 2020	384	110	36	73	120	45

Personal Protection for Corruption Reporters

If a whistleblower and a cooperator, his/her relative or cohabitant has suffered or is likely to suffer serious harm to his/her life or body due to a corruption report, he/she may request the Commission to take necessary measures for his/her personal protection. In such cases, where the Commission deems it necessary, it may request the chief of a police station in the jurisdiction to take personal protection measure for the reporter, etc. Between 2002 and September 2020, a total of 39 requests for personal protection were received from a corruption reporter or a cooperator and 27 requests out of them were accepted.

Maintaining Confidentiality for Corruption Reporters

No person shall inform a third party of the personal information about a whistleblower, or infer information of a whistleblower, and in cases where a whistleblower's identity is disclosed, the Commission may confirm details of the disclosure. After that, the Commission may file an accusation with investigation agencies against the violator or request a person who has the authority to take a disciplinary action, etc. against the violator. Between 2002 and September 2020, there were 73 cases where the Commission identified the disclosure details of identity of corruption reporters or a cooperators, and 21 cases of them were accepted and resulted in disciplinary measures or criminal charges.

Handling of Requests for Investigation of Details regarding Identity Disclosures

(Unit : case)

Year	Total	Accepted	Rejected	Withdrawn	Closed	Under investigation
2002~Sept. 2020	73	21	7	13	24	8

Rewards for Corruption Reporters

A reward for corruption reporters is paid to the whistleblower at his/her own request after the legal status is confirmed, in cases where the report leads to a direct recovery of the public institution's revenues or decrease in public expenses. The reward amount is set between 4 to 30 percent of the amount eligible for the reward (recovered revenues amount of public institutions) with the highest cap of KRW 3 billion.

Between 2002 and September 2020, some KRW 247.5 billion of revenues of central administrative agencies, local governments, and public institutions were recovered in total through corruption reporting and approximately KRW 21,001 million of rewards were paid accordingly.

Awards for Corruption Reporters

In cases where corruption reporting greatly contributes to increase in revenues, to prevention of losses to public institutions or to the promotion of public interest, the reporter can be paid a monetary award up to KRW 200 billion. The payment of monetary awards can be made on any of the followings: ① when a person who has committed corruption is granted prosecution, the suspension of indictment, stay of prosecution, is taken disciplinary or corrective actions, and others, ② when a reporter contributes to the improvement of systems, such as the enactment or amendment of relevant statutes, ③ and when corruption reporting contributes to public institutions' loss prevention by improving, suspending, terminating, etc. a reporting-related policy, and others. Since the adoption of awards scheme for corruption reporters in 2006, a total of KRW 934 million of awards have been granted regarding 111 cases as of September 2020.



Protection and Reward for Public Interest Whistleblowers

Significance of the System

Nevertheless public interest violations in the private sector caused social chaos and public spending, with people's lives getting more complicated, there was a lack of supervision in the law and institution where the protection was not provided for those who reported private sector public interest violations, as the protection for reporters was limited to corruption reporters in the public sector who report bribes, waste of the national budget by public officials, etc. under the ACRC Act.

Thus, the Protection of Public Interest Whistleblower Act was enacted and implemented on 30 September 2011 as a measure to prevent and control acts of violating public interests closely related to lives of the public in the private sector, such as those undermining public health and safety, the environment, consumer interests, fair competition, and others. Since then, the current protection and rewards system for reporters has been established after going through multiple amendments.

Amendment History of Protection of Public Interest Whistleblower Act

Acts detrimental to the public interest that, therefore is subject to report under the law, are the acts subject to legal penalties or administrative measures of laws as listed in the Protection of Public Interest Whistleblower Act, and 180 such Acts were listed in the Act in 2011 when the Act took effect. The ACRC has been making continuous effort to expand the scope of protection by adding 99 laws in 2016, and 5 laws in 2018, and by increasing significantly the number of laws subject to report to 467 through amendment of the Act

in 2020, which will be implemented on 20 November 2020.

Moreover, in 2016, a new system was introduced to allow the ACRC to impose charges for compelling compliance in the case of not complying with protective measure decision of the Commission. The amendment also prevented waste of administrative resources as a result of indiscriminate reporting by a person who only seeks for money, by providing rewards to internal whistleblowers only, while external reporters are only entitled to awards instead.

In 2018, criminal punishment against a person who disclose personal information of a reporter was strengthened and punitive damages was introduced, which imposes the liability for damages caused by disadvantageous measures on the person who takes such measures.

In October 2018, with the adoption of the anonymous reporting by proxy, a reporter may have an attorney-at-law file a public interest report on his/her behalf without having to disclose a reporter's personal information.

Prohibition of Disadvantageous Measures against and Protection for Public Interest Reporters

No person shall take disadvantageous measures such as discharge, discipline, etc. against a public interest reporter and cooperator (hereinafter referred to as “a reporter, etc.”) by his/her report. However, if a reporter, etc. receive disadvantageous measures, he/she may request protective measures to the ACRC. If the ACRC confirms disadvantageous measures taken against a reporter, etc. by reason of a report, according to its investigation result, it may request necessary measures such as reinstatement to the representative, etc. of institutions or enterprises the reporter belongs to.

Since the enforcement of the Protection of Public Interest Whistleblower Act in 2011, a

total of 233 requests for protective measures have been received as of September 2020 by a public interest reporter or a cooperator. Out of them, 185 requests were handled and 56 were accepted.

Physical Protection, Confidentiality, and Prohibition of Disadvantageous Measures for Public Interest Whistleblowers

If a reporter, etc., his/her relative or cohabitant has suffered or is likely to suffer serious harm to his/her life or body due to his/her report, he/she may request the Commission to take measures for his/her personal protection. In such cases, where the Commission deems it necessary, it may request the chief of a police station in the jurisdiction to take measures for his/her personal protection.

Moreover, if it is evident that a reporter, etc. would receive disadvantageous measures by reason of filing a public interest report, a reporter, etc. may file a request of the prohibition of disadvantageous measures with the ACRC. Between 2011 and September 2020, a total of 41 requests were received by a reporter, etc. and personal protection measures were taken to related persons in 29 requests.

No person shall inform another person of the personal information about a reporter, etc. or any fact from which one can readily infer that he/she is a reporter, etc. If the identity of a reporter is disclosed, the Commission may confirm the disclosure details and file an accusation with investigative authorities or request a person who has the authority to take a disciplinary or other necessary action against the violator. Between 2011 and September 2020, a total of 96 cases were confirmed of identity disclosure details. For 21 cases among them, either disciplinary measures were requested or criminal accusations were filed.

Mitigation and Exemption of Liability for Public Interest Reporters

In case a criminal act of a reporter, etc. is found in connection with a public interest report, his/her punishment may be reduced or exempted. Moreover, when a person with competent authority takes a disciplinary action or administrative measures against a reporter, etc. by reason of an offense discovered in relation to a public interest report, the Commission may request the person with authority to reduce or exempt such disciplinary action or administrative measures. Between 2011 and July 2020, a total of 20 cases were requested by the Commission to the person with authority to reduce or exempt such disciplinary action or administrative measures.

Handling of Cases regarding Protection of Public Interest Reporters

(Unit : case)

Year	Total	Accepted						Rejected	Dismissed	Withdrawn	Under investigation
		Subtotal	Protective measures	Physical Protection	Confirmation of details on identity disclosures	Prohibition of disadvantageous measures	Mitigation of culpability				
2011~ July 2020	416	125	54	29	19	3	20	80	33	122	56

Paying Rewards for Public Interest Reporters

A reward for a public interest reporter is paid to the whistleblower at his/her own request after the legal status is confirmed, in cases where the report leads to a direct recovery or increase of the public institution's revenues. The maximum amount of rewards is KRW 30 billion with 4 to 20 percent of benefits incurred. Between 2011 of the enforcement and September 2020, some KRW 137,065 million of revenues of government agencies and local governments were recovered in total by public interest reporting and approximately KRW 9,647 million of rewards were paid accordingly.

Presenting Awards for Public Interest Reporters

The ACRC may grant awards up to KRW 200 billion for public interest reporting, etc. in case a public interest report, etc. brings remarkable benefits to the State or a local government, prevents losses, or promotes the public interest on any of the following grounds: ① where the sentence of punishment is handed down, ② where administrative measures to take specific actions or to prohibit specific actions are ordered, ③ where it contributes to policy improvement, ④ where a disposition administrative fines and penalty surcharges is imposed, ⑤ where it contributes to prevention of social disaster and its dissemination, etc. Since the implementation of awards scheme, the amount paid to reporters has reached KRW 467 million in total for 52 cases.

Paying Relief Funds for Public Interest Reporters

When a public interest reporter, etc. (including his/her relative or cohabitant) pays expenses for treatment, moving house, procedure for controversy due to a public interest report, etc., the ACRC may provide relief funds for the amount of wages lost during the period of disadvantageous measures, and others. Between 2011 of enactment and September 2020, a total amount of KRW 29 million of relief funds was granted to public interest reporters in 18 cases.

Support for Public Institutions in Operating Whistleblower Protection System

Supporting Public Institutions to Enhance Whistleblower Protection Capability

Under the ACRC Act and the Protection of Public Interest Whistleblower Act, the ACRC may protect reporters even for cases where a person file a report of act of corruption with the institution the reporter belongs, or its supervisory institution, or cases where a person file a report of public interest violation with the institution which has the investigative or supervisory authority over the acts detrimental to public interest.

It is essential to strengthen reporter protection capabilities of public institutions so that such protective measure cases as in reporter's personal information disclosure or disadvantages taken against whistleblowers, may be prevented in advance of the ACRC's involvement. In this context, the ACRC distributes the Standard of Reporter Protection Guidelines to institutions, supporting public institutions to build their own reporter protection system and to deal with the reception and processing of reports on corruption and violation of the public interest.

The Standard of Reporter Protection Guidelines encourages institutions to set up and operate a center for reporting and to designate a person in charge of reports handling and reporter protection while stipulating the duties of heads of public institutions in protecting and supporting reporters. Moreover, it imposes duties to employees to make efforts to maintain confidentiality of a reporter and not to take disadvantageous measures against a reporter while prescribing that a person in charge of reports shall take necessary protective measures in case a reporter's identify is disclosed or is taken disadvantageous measures, etc. and inform him/her of a relief procedure.

As of 2020, according to the investigation result on operation of protection system for public

interest reporters, 380 (86.4%) out of 440 central administrative agencies, local governments, public institutions, etc. have set up their own operating regulations such as Guidelines for Public Interest Reporter Protection, etc., 427 (97.0%) institutions operate channels for public interest reporting, 388 (88.2%) institutions have appointed persons in charge of public interest reports, etc., demonstrating infrastructure for reporter protection is gradually expanding.

Moreover, the ACRC is working on strengthening protection capabilities of public institutions by continuously informing of precautionary instructions about protecting reporters in the process of counseling, receiving, and processing reports and by conducting education, consulting, etc. for persons in charge of reports.

Supporting Private Enterprises to Enhance Reporter Protection Capability

Under the Protection of Public Interest Whistleblowers Act, a public interest report may also be filed with a representative of enterprise to prevent large amount of cost from being incurred by an act detrimental to public interest by providing an opportunity for voluntary correction to an enterprise.

Thus, the ACRC provides support for enterprises to voluntarily prevent an act detrimental to public interest, by encouraging private enterprises to adopt and operate public interest reporting system, with continuous distribution of Corporate Guidelines for Handling Public Interest Reporting and Protecting Reporters since the initial implementation stage of the Protection of Public Interest Reporters Act. Furthermore, the ACRC included public interest whistleblower protection system and precautionary instructions in the Corporate Guidelines to prevent problems such as reporter's identity disclosure or disadvantageous measures taken against a reporter in the process of handling public interest reports.

In addition, the ACRC signed MOUs with private associations in those sectors in which violations of the public interest frequently occur such as Construction Association of Korea and Korea Electrical Contractors Association to lay a foundation for public-private cooperation to prevent an act detrimental to public interest, and conducted education about protection system for public interest reporters to member enterprises of relevant associations.





Part

VII

**Corruption Prevention Efforts
in the Private Sector (Enterprises)**

Support for Enterprises in Ethical and Compliance Business Management

Support System for Compliance

According to the Commercial Act, a listed company with total asset valued at KRW 500 billion or more shall have one or more compliance officers and establish guidelines and procedures that their directors and employees must observe in order to abide by statutes when performing their duties (hereinafter referred to as “compliance guidelines”).

The authority supports enterprises to strengthen compliance business management while preventing legal risks through support system for compliance.

Moreover, standard compliance guidelines were revised in 2018 for activation of support system for compliance and revised guidelines were implemented on 1 January 2019. The amendments focused on securing independence of compliance officers, reinforcement of compliance education, strengthening internal control procedures establishment, and others. With the revision in standard compliance guidelines, it is expected that compliance system would be improved in effectiveness.

Enhancing Independence in Outside Directors Composition

The amendment of the Enforcement Decree of the Commercial Act in January 2019 contributed to stronger independence of outside directors by expanding grounds for disqualification of outside directors and by prohibiting holding a post in single company for a long time, to remove possibility of weakening independence in case an outside director is from an affiliated company of the listed company or a person holds a post as

an outside director of the company for a long time.

Amendment in the Enforcement Decree of the Commercial Act

Expansion of grounds for disqualification of outside directors	A person shall not take an outside director position within 3 years (previously 2 years) since the retirement from an affiliated company
Prohibition of holding a post in the long-term	It prohibits holding a post as an outside director for more than 6 years in the listed company or 9 years when including affiliated companies

With stronger independence in outside director composition, it is expected that a board of directors would more actively check on companies, contributing to stronger compliance business management of enterprises.

Clarifying Grounds in Appointing Members of Audit Committee

The Commercial Act prescribes a listed company with total asset valued at KRW 2 trillion or more with a mandatory audit committee established and a listed company with total asset valued at KRW 100 billion or more with a voluntary audit committee established, shall have at least one member of an accounting or financial expert (hereinafter referred to as “expert committee member”) in the committee.

The Ministry of Justice checked in the second half of 2019 whether an audit committee was established and whether expert committee members were appointed, and amended the Enforcement Decree of the Commercial Act in April 2020 clarify grounds for appointing expert member of the audit committee.

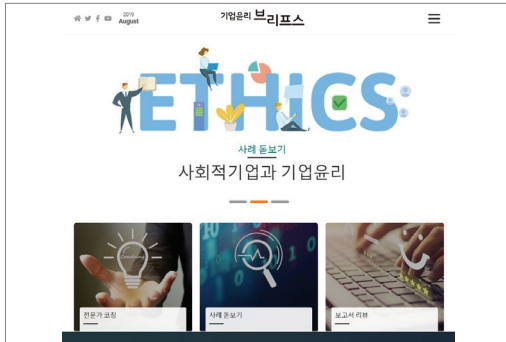
It is expected that the amendment of the Enforcement Decree of the Commercial Act would contribute to stronger compliance business management by facilitating companies’ appointment of accounting and financial expert members in audit committees as companies may appoint them with more transparent and clearer criteria.

Supporting Enterprises for Ethical Business Management

Anti-Bribery Management System (ISO37001) of the International Standard Organization (ISO) was announced in October 2016 and major economies such as the US, UK, France are aggressively enforcing tough corporate anti-corruption laws. Therefore, transparency and integrity of a company are emerging as essential factors for its survival and competitiveness development as business corruption becomes a non-financial trade barrier in transnational transactions. Accordingly, the ACRC has been promoting various support projects to create a culture of integrity in businesses and to induce domestic companies to implement business management with integrity.

Business Ethics Brief is a monthly ethics management information magazine, distributed since 2005 by the KICAC (former ACRC) to support ethical business management of Korean companies. It is provided in the format of webzine and brochures to business leaders, the academia, economic organizations, etc. with diverse content such as introduction of latest policies and laws related to ethical management in Korea and overseas countries, domestic and international trends, expert columns, etc. General public as well as businesses also have easy access to the information as the magazine is posted on website and blog of the ACRC.

Moreover, the magazine has been providing stage-by-stage guide by creating new corners such as ISO 37001 Study, How to Adopt ISO 37001 to help businesses establish ethical business management that fulfills global standards. It has also been introducing advanced practices of companies that have adopted the Anti-Bribery Management System (ISO 37001). Editorial advisory council meetings of the magazine are held on a regular basis to actively listen to the opinions of subscribers to improve the content and readability and thereby increase the reader satisfaction.



「Business Ethics Brief」web-magazine



「Business Ethics Brief」brochure

The ACRC is running diverse education courses including customized programs provided for individual companies and professional training courses for ethical management to help build the capabilities of compliance personnel and raise awareness of ethical management among corporate executives. The content of such training courses focuses mainly on what businesses want to learn about the most, such as the Improper Solicitation and Graft Act and ISO37001, so that the level of satisfaction with the programs can be consistently improved. Particularly, intensive training was offered mostly to pharmaceutical companies, defense contractors, and small-and-medium-sized enterprises that are under a structurally poor environment for ethical business management.



Company visit training
(June 5, 2019)



Company visit training
(Sept. 25, 2019)



Internal Expert Training Course
(May 30, 2019)

* Source: Anti-Corruption and Civil Rights Commission

Plus, the ACRC published and distributed the Ethics Business Management Model by Industry (2012), Casebook of Best Practices in Ethical Business Management (2013), Guidance for Establishing Ethical Business Management System (2016), Guidebook for Anti-Bribery Management System (ISO 37001) (2017), and Casebook of Public Enterprises' Success & Failure of Transparent Management (2019) to private companies. The Commission has also been introducing best practices of ethical business management among global companies for domestic companies through cooperation with economic organizations, as part of its efforts to help businesses obtain global competitiveness.



Development of Industry Integrity Index and Support for Assessment

Necessity of Integrity Assessment and Progress

In today's world environment where nations' economies are closely interlinked under internationalization and globalization, the negative impacts of corruption committed by a country or business are increasing, and many corruptions occur in the interaction between the public and private sector. Although Transparency International (TI)'s Corruption Perception Index (CPI) which assesses corruption levels in the public sector of each country does not assess the private sector, some indices are in correlation with corruption in the business or directly affecting it in the event of the assessment. The concept of corruption that had mainly focused the public sector has recently started to cover the private sector as well, and more and more people have come to realize the importance of preventing and controlling corruption in the private sector.

Against this backdrop, the ACRC developed the assessment model for Industry Integrity Index in 2018 to diagnose the integrity level and corruption-prone areas in industries that are big in scale and have large influence among private entities. The assessment model developed in 2018 essentially assessed each industry, instead of individual enterprise, to understand the integrity level of each industry and corruption-prone areas in general by reflecting characteristics of private industries that are different from the public sector. Relevant criteria of international assessment agencies such as IMD, WEF and other major assessment items in Korea were combined to develop the assessment. In 2019, the ACRC conducted a pilot assessment of industries by applying the model developed in 2018 after improving it. The Commission carried out the assessment with the National Research Council for Economics, Humanities & Social Science for more precise assessment.

Overview and Results of 2019 Industry Integrity Index

The overall integrity level of industries in 2019 was calculated by aggregating the integrity level of ten major industrial sectors. Ten industrial sectors are based on the Korean Standard Industrial Classification of the Statistics Korea which are manufacturing; construction; wholesale and retail trade; transportation; broadcasting, communication and media; financial and insurance activities; professional activities; education; human health and social work; and culture, arts and sports.

There are corruption status index and corruption prevention index in the integrity index assessment model. Corruption status index reflects items related to the current status of corruption by industry sector and corruption prevention index includes items that assess the system and efforts against corruption. In some assessment items, specified ones tailored to characteristics of industrial sectors were applied. Respondents of the survey conducted were persons who are engaged in the subject industrial sector or were engaged in for a year or longer, and 300 respondents from each industrial sector, a total of 3,000 respondents' replies were collected.

2019 Industrial Integrity Index Assessment Model

Range of assessment (weight)	Assessment area (weight)	No. of item
Corruption Status Index (0.606)	Corruption in business relations (0.228)	2 items
	Corruption in management activities (0.192)	2 items
	Fair trade violation (0.218)	4 items
	Social public interest value violation (0.190)	3 items
	Abuse of superior position (0.172)	2 items
Corruption Prevention Index (0.394)	Publication and accounting transparency (0.302)	2 items
	Responsible business conduct (0.190)	1 item
	Protection of shareholders' rights (0.182)	1 item
	Corruption prevention and anti-corruption activities (0.326)	4 items

※ Also conducted a survey on 8 items related to general perception and opinion about corruption in the private sector (not reflected in assessment result)

Among factors of industrial integrity index, corruption status index, which reflects items related to the current status of corruption was evaluated relatively better than the corruption prevention index which is related to corruption prevention and response in the pilot assessment of 2019. In each index, the assessment of corruption in management activities related to management and operation such as business accounting and publication and accounting transparency were relatively good while abuse of superior position (practices of abusing power) and corruption prevention and activities were relatively low. In terms of specific industrial sectors, out of 10 industrial sectors, education service, financial and insurance activities, manufacturing were relatively good while wholesale and retail trade, construction, culture, arts and sports were relatively low.

Future plans

The government effort and support are necessary to address corruption-prone areas in the private industry as the influence of corruption in the private sector is growing. However, indirect and supplementary approach and support are needed instead of implementing direct anti-corruption policies like in the public sector given the different characteristics of the private industry where the integrity level is partially evaluated through the market. In this regard, the ACRC developed a self-diagnosis model for businesses so that individual enterprises could diagnose their integrity level by themselves and posted the model on the website of the ACRC in June 2019. Moreover, by utilizing integrity level assessment results of 2019, the Commission plans to continue cooperation with industry-related departments and institutions, groups, and others in order to support resolving corruption-prone areas in industries.

Reinforcing Monitoring on Collusion and Policy Improvement

Collusion has a negative impact on the market economy in many ways as it undermines consumer benefits and interferes with efficient allocation of finite resources by limiting or deciding production, prices, and others which should be determined through free competition in the market. Most of all, collusion in national projects funded by large-scale budgets or in areas closely related to the lives and safety of people causes serious negative effects such as a waste of national budget or weakens public interest, which ultimately becomes an impediment against the national economy.

Thus, Korea Fair Trade Commission (hereinafter referred to as the “KFTC”) has focused on monitoring collusion in the public sector which causes a waste of national budget as well as damage to the public and established and implemented a monitoring system for collusion eradication. First of all, the KFTC has operated the Bid Rigging Indicator Analysis System that monitors bid-riggings in the public sector in real time to strengthen monitoring on collusion in the public procurement. The Commission has also organized and operated the Bid Rigging Prevention Consultative Body in collaboration with public institutions that place an order for national projects such as the Public Procurement Service. Moreover, the Commission has made efforts to strengthen deterrence against collusion by providing collusion prevention education to enterprises on a regular basis.

In addition, strict measures were taken to detect enterprises that colluded in public sector bids placed by the government or public institutions. In 2019 alone, the KFTC dealt with 23 collusion cases in the public sector bids taken place in areas closely related to

the daily lives of people such as bidding for a communication line project (4 companies, about KRW 13.3 billion of penalty surcharges and accusatory measures taken) and a collective purchase of blood bags (2 companies, about KRW 7.7 billion of penalty surcharges and accusatory measure taken).

Going forward, the KFTC will continue its effort to further reinforce its monitoring and detection functions so that collusion in the public sector which causes a waste of the national budget and weakens the public interest could be eradicated.



The 1st Bidding Rigging Prevention Counsel Meeting of 2019 (June 21, 2019)



The 2nd Bidding Rigging Prevention Counsel Meeting of 2019 (Dec. 16, 2019)

Improving the System and Strengthening Market Monitoring for Enhancing Bargaining Power of Small-and-Medium Enterprises (SMEs)

Small-and-medium enterprises (SMEs) are the root of the Korean economy as 99% enterprises in Korea are small-and-medium-sized and 83% of workers are employed at SMEs. However, SMEs are often put in the disadvantageous position when entering into a contract with principal contractors such as large companies. Imbalance of power between large and small-and-medium enterprises may create disadvantageous contract terms for SMEs and disproportionate profit sharing in favor of large companies so that SMEs may find it difficult to receive compensation equivalent to their contribution to the transaction. SMEs with lower profits may shrink as they cannot afford R&D and investment and lose capability for innovation, which may lead to weaker competitiveness of a large company that produces finished products using components and technology of a small-and-

medium enterprise. Moreover, this may weaken the competitiveness of the industry in general and the economic growth engines.

The KFTC has been improving and implementing various measures to resolve this issue. For example, the Commission prohibits large companies from forcing a subcontractor to sign an exclusive contract or requesting information on costs. Also, the KFTC loosened the conditions that allow the subcontractor to request the principal contractor for an adjustment of payment under the Fair Transactions in Subcontracting Act, from in case of a fluctuation in “prices of raw materials” to a change in “supply costs” that includes other costs such as labor expenses. In addition, the KFTC extended the prescribed investigation period for technology theft from 3 years to 7 years, considering that it takes a long time to detect and disclose such a practice compared to other violations.

On the other hand, the KFTC has been conducting written fact-finding surveys each year on 5,000 principal contractors and 95,000 subcontractors to review overall subcontract transactions in the market and to monitor alleged violations of law. The Commission carries out ex officio investigations to find out unfair practices in subcontract transactions, such as unfair reduction of subcontract payment or technology misappropriation in major industries such as shipbuilding, construction and private brand goods and also imposes strict sanctions if any violations are detected.

As a result of such efforts, the market began to demonstrate some positive changes. According to the result of a 2019 written fact-finding survey on subcontracting transactions, 95.2% of subcontractors replied that practices of subcontract transactions have improved in general over a year, which is a 1.2%p increase compared to the previous year.

However, there are some remaining issues to address to establish a fair order for subcontracting transactions and a culture of coexistence between companies. According to the last year’s survey result, the acceptance rate of prime contractors for subcontractors’ request for increase in subcontracting payment was quite high (96%) whereas the system for requesting the adjustment of subcontracting payment was underutilized (17.5%).

The KFTC plans to strive to make more evident change of transaction practices in the field. It will add the Korea Federation of Small and Medium Business which is expected to exert greater bargaining power than individual SMEs or the SME Cooperatives, as a party in charge of negotiating the adjustment of subcontracting payment as a way to reinforce the bargaining power of SMEs against prime contractors while focusing on encouraging market players to voluntarily establish a culture of coexistence in the market. Moreover, the KFTC plans to strengthen market monitoring as there is a concern that a prime contractor may shift its burden of expenses on a subcontractor by unfairly cutting the unit price as many companies are struggling due to ongoing economic slowdown caused by the COVID-19 pandemic.

Enhancing Transparency and Establishing Advanced Transaction Practices in the Market of Franchise, Distribution and Agency Business

When one party has an advantage in a business relationship over the other due to the difference in economic power or reliance on the transaction, it is easier for the party who has the upper hand to request an unfair transaction from the other party who is in a relatively disadvantageous position. If this unfair transaction becomes a practice, it may weaken the competitive edge of the businesses in the disadvantageous position, which in turn can lead to economic inefficiency in the market in general. Subcontracting transactions between a large and a SME, franchising transactions between a franchiser and a franchisee, agency transactions between a supplier and an agency, distribution business transactions between a large distributor and a supplier or sales floor tenant are the prime example prone to unfair practices in transactions.

The KFTC has been making efforts to address unfair practices in transactions in these industries and establish best transaction practices in the market.

First of all, the KFTC strengthened the system for information disclosure to resolve information asymmetry. Supply prices (median value) of essential commodities

which a franchisee should purchase from a franchiser, rebates in distribution process, involvement of a person with a special relationship, and other information are required to be disclosed. With the improvement of the system for disclosing sales commission rates of large distributors, complex shopping malls, wholesale stores and convenience stores were newly added to be subject to the disclosure system, along with the department stores, TV home shopping networks, large retail stores and online shopping malls. In addition to the rate of sales commission, items related to major expenses such as sales incentives, logistics costs, and sales promotion costs were included in the scope of information disclosure.

Since the enforcement of the Fair Agency Transactions Act in December 2016, the KFTC conducted a fact-finding survey to understand transaction practices in main agency transaction markets such as clothing, communication, food/beverages, pharmaceutical, automotive component and sales industry, and based on the survey result, it set up and revised the standard contract form for agency business by industry type and distributed it to improve practices in the market.

Moreover, the punitive damage was introduced, which may impose compensation up to 3 times the actual damage for some unfair trade practices such as retaliatory measures taken in response to requesting dispute mediation or reporting to the KFTC, forced purchase by a supplier, unfair price cutting, or refusal of returns, in order to prevent unfair trade practices and to increase damage compensation

As a result of such efforts, unfair trade practices in the franchise, distribution and agency business industry have been gradually improving. According to the result of 2019 written fact-finding survey, 86.3% of persons in the franchise business transactions and 91.3% of those in the large distribution business transactions replied that there has been progress in addressing unfair trade practices.

Going forward, the KFTC plans to prevent unfair trade practices, enhancing the bargaining power for the parties to a transaction in the disadvantageous position, by stipulating franchisee association's reporting system and an agencies' right to form an association, etc.

Efforts to Eradicate Tax Evasion and Fight Offshore Tax Evasion

Fair and Equal Tax Burden Serving as a Foundation for Realizing a Fair Society

All people have a legal obligation to pay their taxes and shall pay their taxes as prescribed by law. Avoidance and evasion of tax burden may undermine fairness of opportunity and income redistribution as well as normal functioning of a nation by causing leaks in the nation's financial revenue. Tax evasion is a corrupt act which must be eradicated as it creates a vicious cycle where it makes compliant taxpayers feel sense of deprivation and weaken trust in the government, thereby sabotaging compliant tax-paying culture while encouraging further tax evasion.

Result of Tax Investigation in 2017 and 2018

(Unit: case, KRW 100 million)

	Total		Corporate business		Sole proprietorship		Value added tax		Transfer income tax	
	Case	Amount	Case	Amount	Case	Amount	Case	Amount	Case	Amount
2017	16,713	62,395	5,147	45,046	4,911	10,218	2,399	3,169	4,256	3,962
2018	16,306	67,184	4,795	45,566	4,774	15,216	2,570	2,996	4,167	3,406
Total	33,019	129,579	9,942	90,612	9,685	25,434	4,969	6,165	8,423	7,368

Each year, the National Tax Service (NTS) designates areas where the fairness and equity of tax burden are damaged to a greater extent than others from the perspective of the general public and the NTS to intensively monitor them and also makes efforts to identify emerging types of tax evasion along with the changing environment. Moreover, it comes

up with various measures to prevent tax defaults such as conducting an investigation to find concealed property of whom evades paying taxes despite sufficient financial capacity for fair and equal tax burden.

Result of Investigation on Concealed Property

(Unit: KRW 100 million, case, person, case)

Year	Cash collected and bonds obtained			Lawsuit filed	Penalty imposed	Case searched
	Total	Cash collected	Bonds obtained			
2018	18,805	9,896	8,909	369	258	456
2019	20,268	10,908	9,360	454	341	548
Total	39,073	20,804	18,269	823	599	1,004

Efforts to Eradicate Smart Tax Evasion

The NTS has been pushing for administrative measures, such as supporting compliant reporting, tax investigations and others to root out tax evasion activities. The Service has continued to reduce the total number of tax investigations (from 16,984 in 2016 to 16,713 in 2017 to 16,306 in 2018) to ease the burden on the economy, while constantly improving the selection system to precisely extract those suspected of evading taxes. In particular, simultaneous tax investigations across the country have been continuously conducted since 2017 to enhance the efficiency of tax audits and maximize their ripple effects. When undertaking simultaneous tax investigations at a national level, the government also distributed press releases detailing cases of the investigations including the current status of those selected, suspected tax evasion, and by providing briefings, it mounted publicity campaign so that the public could feel that tax evasion is being detected and punished after all.



Briefing of investigation on offshore tax evasion (Sept. 12, 2018)



Briefing of tax investigation on large companies and men with great wealth (Sept. 19, 2019)

In addition to administrative measures such as tax audits, various system improvements were also implemented to fundamentally block tax evasion activities and strengthen sanctions. In particular, the authority focused on improving the system for offshore tax evasion where tax evasion methods are becoming more intelligent and where information

System Improvement for Eradicating Tax Evasion

Content of improvement	Related law	Enforcement
<ul style="list-style-type: none"> Extension of the imposition exclusion period for offshore transactions 	Framework Act on National Taxes	Jan. 2019
<ul style="list-style-type: none"> Provision of taxation data in the request of government agencies, etc. for imposing penalty surcharge 		Feb. 2020
<ul style="list-style-type: none"> System for submitting consolidated report on international transaction information 	Adjustment of International Taxes Act	Dec. 2017
<ul style="list-style-type: none"> Limitation on cost deduction for hybrid financial instruments 		Jan. 2018
<ul style="list-style-type: none"> Limitation on interest expense from deductible expenses for multinational corporation 		Jan. 2019
<ul style="list-style-type: none"> Denial and restructuring of transaction structure when taxing on transfer pricing 		Jan. 2019
<ul style="list-style-type: none"> Stronger sanctions on violating obligation to submit data on international transactions 		Jan. 2019
<ul style="list-style-type: none"> Expansion of domestic place of business for foreign corporation 	Corporate Tax Act Income Tax Act	Jan. 2019
<ul style="list-style-type: none"> Collection of customs investigation data on manipulation in unit cost of imports and exports 	Act on the Submission and Management of Taxation Data	Mar. 2019

asymmetry exists between taxpayers and taxation authorities. The authority extended the imposition exclusion period for offshore transactions to enable detailed tax verification and strengthened the imposition of administrative fines for violations of the obligation to submit data on international transactions to prevent acts of evading an investigation. In addition, now the authority may collect tax data necessary to verify tax evasion charges from the Korea Customs Service, and dispatch experts to the “Joint Investigation Team for the Recovery of Illegal Overseas Property” participated by the Prosecutors’ Office, the Financial Supervisory Service, and others to strengthen cooperation with related agencies to respond to the evasion act more efficiently.

Efforts to Strengthen Response to Malicious Evasion of Disposition for Arrears

The authority also strengthened its response to malicious acts of avoiding tax payments while living in luxury. In 2019, the government announced the Plans to Strengthen the Pan-Government Response to Malicious Defaulters Living in Luxury and achieved results

Measures to Strengthen the Pan-Government Response to Malicious Defaulters Living in Luxury

No.	Content of measures	Collaborating agency
①	Prohibition of departure for persons without a passport	Ministry of Justice & National Tax Service
②	Introduction of a detention order system	Ministry of Economy and Finance & National Tax Service
③	Expansion of the scope of property inquiry on tax delinquents	National Tax Service
④	Reinforcement of a tax delinquents detection, accusation and examination on imported products	National Tax Service & Korea Customs Service
⑤	Stronger effectiveness of departure prohibition	National Tax Service & Ministry of Justice
⑥	Utilization of data on taxes in arrears for retrieving welfare benefits, etc.	Ministry of Health and Welfare & National Tax Service
⑦	Stronger verification of qualification for a health insurance dependent	Ministry of Health and Welfare

by pushing for the improvement of the system. In order to effectively respond to acts of avoiding arrears using kinship, the scope of financial inquiry was expanded to include spouses, blood relatives within second cousins, and relatives within cousins, and the government introduced a detention system for those who fail to pay national taxes in arrears without justifiable reasons to strengthen sanctions against those who intentionally defaulted.

Administrative measures were also implemented to strengthen the disposition of arrears. The government continued to conduct intensive tracing investigations on large tax delinquent to collect the amount in arrears, while sternly responding to the intentional or malicious evasion of delinquent taxes. Since 2020, the tax offices have been strengthening its response to the malicious act of avoiding the disposition of delinquent taxes by operating the Arrears Collection Division. In addition, in order to induce voluntary payment of arrears through social and administrative sanctions, the authority is conducting disclosure of name, prohibition of departure, provision of credit information, restrictions on government–authorized projects for large and habitual tax delinquents, and others.

Necessity of Offshore Tax Evasion Response

As the 2008 global financial crisis occurred, and offshore tax evasion using secret accounts of Liechtenstein LGT Bank, Swiss UBS Bank, and others have emerged as global problems, countries around the world continue to strive to strengthen international cooperation by expanding tax information exchange networks among countries and improve institutional deficiencies based on the political support of the G20.

In November 2009, the NTS launched a temporary organization, the Center for Offshore Tax Evasion Tracing to strengthen its ability to respond to offshore tax evasion in collecting and analyzing information on suspected offshore tax evasion, and in January 2011, the Offshore Tax Evasion Officer's Office was established as a regular organization

in recognition of its performance in responding to offshore tax evasion and the need to establish a permanent organization to cope with offshore tax evasion. In January 2015, in order to efficiently conduct information cooperation between countries, the NTS adjusted the functions of the Office by adding the information exchange service and changed it to the Offshore Tax Evasion Information Officer's Office.

Efforts to Block Offshore Tax Evasion

Under the rapidly changing economic environment, such as the spread of the digital economy and the upgrading of financial techniques, offshore tax evasion has evolved into new forms and its methods are becoming more intelligent with the help of experts in finance, law and taxation. In response, the NTS has been making various efforts to root out offshore tax evasion such as strengthening information collection and analysis, expanding international cooperation with foreign taxation authorities, conducting strict tax investigations and improving the system for responding to offshore tax evasion. By conducting strict tax investigations based on the collection and analysis of new information about offshore tax evasion and aggressive tax avoidance, more than KRW 1 trillion of taxes have been collected additionally every year since 2013, and collected additionally KRW 2,656,800 million as a result of investigating 459 cases for two years (2017 to 2018) since the inauguration of the Moon Jae-in administration.

Yearly status of tax additionally collected

(Unit: KRW 100 million)

Year	2013	2014	2015	2016	2017	2018
No. of cases	211	226	223	228	233	226
Tax amount collected additionally	10,789	12,179	12,861	13,072	13,192	13,376

In addition, the NTS has been continuously promoting international cooperation with other countries. As of January 2020, it exchanges information with 145 countries

after reaching a tax treaty, in June 2015, Korean government signed Foreign Account Tax Compliance Act (FATCA) with the US and in October 2014, joined the Multilateral Competent Authority Agreement on Automatic Exchange of Finance Information (MCAA). Accordingly, it exchanged financial information with 46 countries in 2017, 79 countries in 2018, 96 countries in 2019 and expects to exchange with 109 countries this year.

In order to establish infrastructure to respond to offshore tax evasion, the NTS added a duty to report overseas real estate in 2009 and introduced a system to report overseas financial accounts in 2010, and tightened sanctions on those who did not submit data related to overseas investment in 2013. Since 2019, the NTS has continuously improved the offshore tax evasion response system, such as the extension of the imposition exclusion period, and the establishment of grounds for taxation by denying international transactions without commercial rationality. Meanwhile, the NTS participated in the Joint Investigation Team for the Recovery of Illegal Overseas Property set up under the prosecution in June 2018 and actively cooperated with related agencies such as the Financial Supervisory Service and the Korea Customs Service to eradicate anti-social offshore tax evasion and recover illegal overseas assets.

Going forward, the NTS will do its best to detect corrupt activities which use expedient means such as money laundering and offshore tax evasion, by concentrating its information capabilities as much as possible, and to track down and impose a tax on intelligent offshore tax evaders and their cooperators by mobilizing all its investigative capabilities in order to raise awareness that only compliant payment of taxes is the best way for tax saving and to realize a fairer society where everyone coexists prosperously, without foul plays or special treatments.

Efforts to Prevent Money-Laundering Concerning Financial Transactions

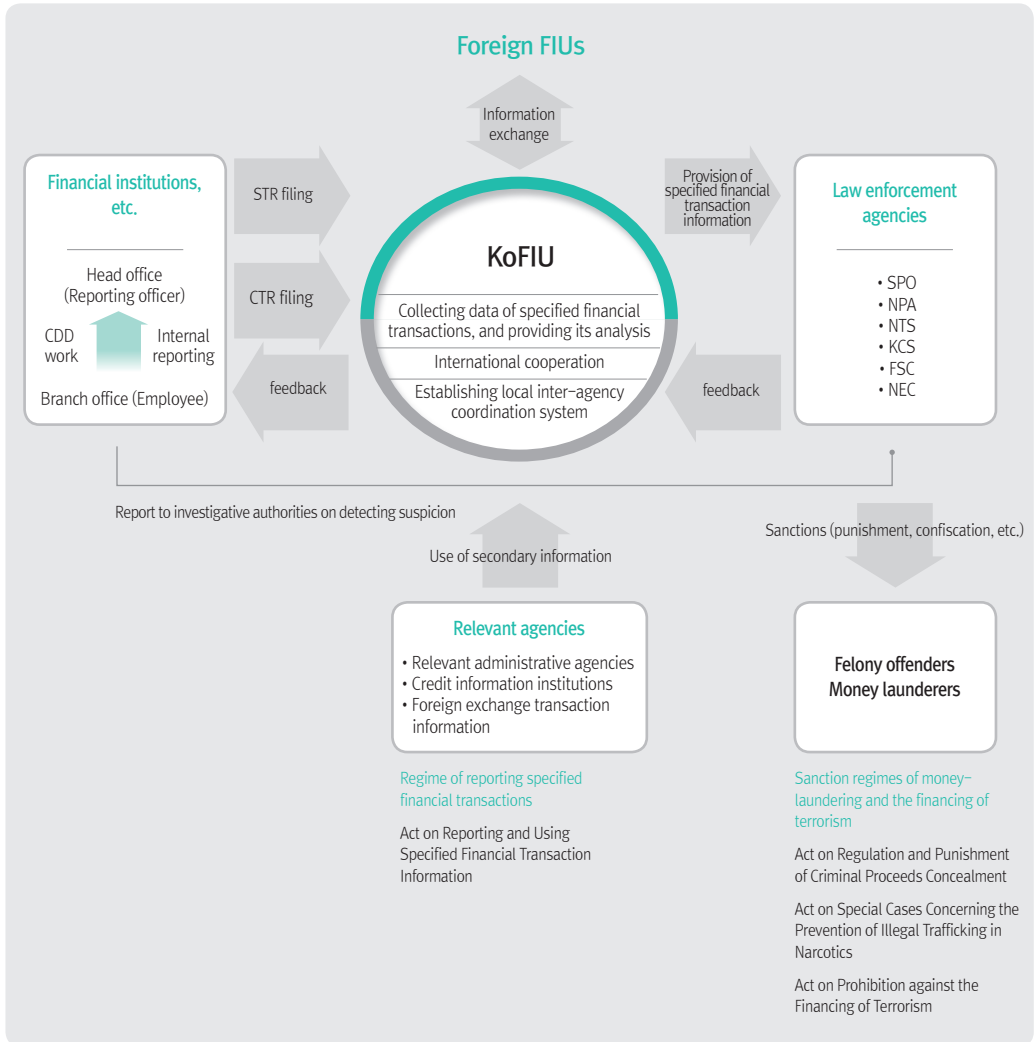
Overview of Anti-Money Laundering System

The anti-money laundering (AML) system is a legal and institutional system for detecting and preventing the laundering of illegal funds conducted domestically and internationally, which is a comprehensive management system linking the judicial system, the financial system and international cooperation. In Korea, laws related to the prevention of money laundering are the Act on Reporting and Using Specified Financial Transaction Information (hereinafter referred to as the “Specified Financial Information Act”), the Act on Special Cases Concerning the Prevention of Illegal Trafficking in Narcotics, the Act on Regulation and Punishment of Criminal Proceeds Concealment, and others. Among them, the Specified Financial Information Act stipulates the obligations that financial institutions must fulfill to prevent money laundering and the establishment and role of the Financial Intelligence Unit (FIU).

The obligations of financial institutions, etc. as prescribed in the Specified Financial Information Act are intended to implement international standards issued by the FATF (an international anti-money laundering organization which was established in 1989 to set up the standards and to check the implementation of them in each country).

Furthermore, the KoFIU established in 2001 under the Specific Financial Information Act, oversees the implementation of the financial institutions’ obligation to prevent money laundering, while collecting and analyzing transactions suspected of money laundering through reports from financial companies and provides them to law enforcement agencies such as investigative agencies.

System of KoFIU and AML



Expanding Subjects Obligated to Implement Anti-Money Laundering

The Specified Financial Information Act imposes an obligation to prevent money laundering on Financial Companies, etc. (Article 2), such as reporting transactions

suspected of money laundering to the KoFIU (Article 4) and verifying identity of a customer (Article 5-2).

According to the international standards presented by the FATF, not only electronic financial business operators and lenders, but also recent virtual asset service providers are required to prevent money laundering, but in Korea, they were not subject to such obligation.

In this regard, Korea imposed an obligation to prevent money laundering (1 July 2019) for electronic financial business operators and lenders with a certain asset size or larger under the Electronic Financial Transactions Act by amending the Enforcement Decree of the Specified Financial Information Act and recently amended the Specified Financial Information Act to impose an obligation to prevent money laundering on virtual asset service providers (to be enforced in March 2021). Accordingly, electronic financial business operators and lenders with a certain asset size or larger are fulfilling their anti-money laundering obligations under the Specified Financial Information Act, and from March 2021, virtual asset operators are also required to fulfill their obligations to prevent money laundering. Through these legal revisions, the Republic of Korea is striving to improve transparency in transactions and to enhance consistency between the Korean system and FATF international standards.

Strengthening Customer Due Diligence for Financial Companies, etc.

The Specified Financial Information Act mandates financial companies, etc. to check the identity of customers, such as their real names, addresses, and contact information, if they open new accounts or conduct occasional financial transactions such as currency exchange for a certain amount or more.

However, international standards established by the FATF require additional confirmation not only on the identity of the customer but also on a natural person who ultimately

governs or controls a customer (hereinafter referred to as “beneficial owner”).

Accordingly, Korea amended the Specified Financial Information Act and the Enforcement Decree of the same Act (enforced from 1 January 2016) to require financial institutions, etc. to further identify the beneficial owners who governs or control customers as well as customers’ identities, in order to implement the FATF international standards, prevent money laundering and to establish a sound and transparent transaction order.

In particular, financial companies, etc. shall identify ① those who own more than 25/100 stocks, shares, etc. of a corporation or organization as matters concerning beneficial owners and ② where it is not possible to identify the person of ①, one of the following should be identified as the beneficial owner: one who own the most shares; one who has appointed a majority of executives, etc.; or any other person who substantially controls the corporation or organization. Furthermore, ③ if it was not possible to identify a person who falls under ① or ② above, it was stipulated that the representative of a corporation or organization should be checked.

(Phase 1) A person who own more than 25/100 stocks, shares, etc.

⇓ (if not possible to identify in Phase 1)

(Phase 2) Select one among ①, ②, ③

① A shareholder who has appointed a majority of representatives, managing partners, executives (natural person)

② A person who owns the most stock, shares, etc.

③ Apart from ① or ②, a person who substantially controls the corporation or organization

⇓ (if not possible to identify in Phase 2)

(Phase 3) Representative of the corporation or organization

Going forward, South Korea will make efforts to improve the system that meets international standards by carefully reviewing the requirements and trends of discussions required by the FATF international standards.





**Civil Society Cooperation
and Public Awareness-Raising**

Operation of Public-Private Consultative Council for Transparent Society

Organizing the Public-Private Consultative Council for Transparent Society

Despite the government efforts such as enforcement of the Improper Solicitation and Graft Act, corruption perception index in our society in 2016 was down to the lowest level ever (scored 53/ ranked 52nd). Accordingly, the Moon Jae-in administration came to believe that there was a limit to enhancing national competitiveness due to intensifying corruption in corporations and other private sectors. In order to overcome this challenge, the government adopted as one of the national agenda, the establishment of a ‘public-private cooperative anti-corruption system with the public and government together’ to build a horizontal structure of public-private system for anti-corruption where each sector of society and the public participate.

The plan aims to strengthen the direct participation of the people in the entire anti-corruption policy process by drawing up measures to improve anti-corruption policies through discussions and agreements by experts from all walks of society and the public to monitor the effects of the policies, while the various sectors of society cooperate to spread a culture of integrity in our society.

To this end, the government enacted the Regulation on the Establishment and Operation of the Private-Public Consultative Council for Transparent Society to provide an institutional ground for the operation of the Public-Private Council on 3 January 2018 (Prime Minister’s Directive), and formed the Public-Private Consultative Council for Transparent Society with 30-odd representatives from various sectors of our society,

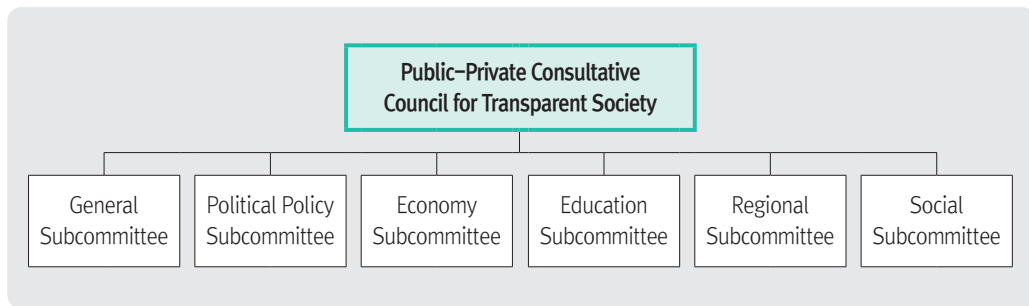
such as the business community, professional organizations, civil society, media, academia, public, and public interest.

Composition of the Council

Sector	Participating organization	Sector	Participating organization
Economy (6)	Korea Chamber of Commerce and Industry	Professional (5)	Korean Bar Association
	Korea Federation of Small and Medium Business		The Institute of Internal Auditors
	Korea Employers Federation		The Korean Institute of Certified Public Accountants
	Korean Women Entrepreneurs Association		Korea National Council on Social Welfare
	UN Global Compact Network Korea		Public Enterprises' Consultative Council for Transparent Society
	BEST (Business Ethics and Sustainability management for Top performance) Forum		
Civil Society (8)	People's Solidarity for Participatory Democracy/Joint Representative	Media · Academia (7)	Korean Broadcasters Association
	Citizens' Coalition for Economic Justice		Korean Association of Newspapers
	Transparency International-Korea		The Women's News
	YMCA Korea		Korean Institute of Criminology
	HungSaDan Transparency Movement		The Korea Institute of Public Administration
	Korean Women's Association United		The Korean Association for Corruption Studies
	Korean National Council of Women		The Korean Academy of Business Ethics
	The National Council of Young Organizations in Korea		
Public Sector (3)	The Anti-Corruption & Civil Rights Commission	Public Interest (3)	Seoul National University Senate
	Governors Association of Korea		Communication Culture Academy
	National Association of Mayors		Korea Transparency Movement Headquarters

Operation of Public-Private Consultative Council for Transparent Society

In order to effectively support the Public-Private Consultative Council's policy discussions, the working-level council and six specialized subcommittees (general, public policy, economy, education, region, and social subcommittees) were formed at the lower level to discover anti-corruption policy agenda and to be responsible for refining the improvement plan through discussion.



The Private-Public Consultative Council for Transparent Society has led social discussions by boldly making anti-corruption and integrity issues as agenda that the government finds it difficult to raise on its own, holding public hearings, and others which suggested solutions to resolve corruption in our society. Over the past two years, it has actively operated meetings by hosting 120 specialized subcommittees, 10 public-private councils, and others.



The 4th Public-Private Consultative Council Meeting for Transparent Society (Oct. 5, 2018)



2019 1st Public-Private Consultative Council Meeting for Transparent Society (Apr. 2, 2019)

While participating in the draft proposal to completion (April 2018) of the Five-Year Comprehensive Anti-Corruption Plan with the government, a mid- to long-term anti-corruption master plan, it has proposed 10 tasks to the government so far after discussion and agreement with each sector on 20 policy agendas, such as *Measures to eradicate preferential treatment to retired judicial officers* and *Measures to facilitate reporting through strengthening protection for public interest reporters*, etc.

2018~2020 policy proposals made by the Council

- ◇ 2018 : ▲ Proposal to eradicate the practice of granting privileges for one's former post in the legal circles ;
▲ proposal to improve the system of appointing external auditors in non-profit foundations, etc. ;
▲ proposal to improve the management of compilation and execution of expenses for the government's special activities
- ◇ 2019 : ▲ Proposal to promote the Transparent Society Pact; ▲ proposal to strengthen the transparency of information on local council members holding more than one office; ▲ proposal of reinforced protection for public interest whistleblowers; ▲ proposal to improve fairness and transparency of the system for pre-construction sales of apartments; ▲ proposal to improve fairness in employing new clerical employees of private schools
- ◇ 2020 : ▲ Proposal to strengthen ethics of members of the National Assembly and local councils; ▲ proposal to enhance effectiveness of information disclosure regimes of local governments

Conclusion and Implementation of Transparent Society Pact

Promoting Conclusion of the Transparent Society Pact

As the ACRC deemed that it may be difficult to spread the culture of integrity in our society as a whole by only enforcing strong anti-corruption laws and systems, regulation of corrupt acts, and punishment against violations, it decided to promote the conclusion and spread of the Transparent Society Pact, in which all sectors of society promise and practice integrity on their own.

In particular, the Commission has tried to actively explain the necessity of signing a Transparent Society Pact by region and sector and to gain sympathy, immediately after the 7th simultaneous local elections. It has worked hard on the necessity of the Pact and the direction of implementation by holding briefing sessions for related departments of 17 cities and provinces, conducting the Transparent Social Pact consulting outreach program throughout the country, and others. In addition, the preparatory team for Transparent Society Pact promotion was organized, and the Transparent Society Pact guide was published and distributed (in March) to support the conclusion of the Transparent Society Pact in each region and sector.

Conclusion of Transparent Society Pact in Regions

As a result of these efforts, all metropolitan cities and provinces signed the Transparent Society Pact by 2019. In the regional agreement, all major sectors of the local community, such as local governments, local public institutions, economic organizations, professional organizations, civic groups, and businesses agreed to participate and promise to promote integrity and come up with detailed implementation measures.



Outreach consulting of Transparent Society Pact
(Mar. 19, 2019)



Conclusion of Transparent Society Pact in Jeju
Special Self-Governing Province (June 19, 2019)

Conclusion of Transparent Society Pact in Sectors

In various sectors of society, the Transparent Society Pact was signed one after another. In 2018, 39 institutions and organizations, such as the Ministry of SMEs and Startups signed the Transparent Society Pact in the Small and Medium Business Sector, and 36 public institutions, such as Korea Electric Power Corporation signed the Transparent Society Pact in the public sector. Small and medium-sized enterprises and state-owned companies took the initiative and vowed to practice integrity to create a business environment trusted by the people and society.

In 2019, 24 agencies and organizations, such as the Ministry of National Defense signed the Pact for National Defense to realize transparent national defense, 29 agencies and companies in the defense industry concluded the Pact to reaffirm their commitment to corruption prevention in the field of defense and ethical management of defense businesses, and in the second half of the year, the Transparent Society Pact for the accounting sector was signed with participation of 46 organizations and corporations such as the Korean Institute of Certified Public Accountants and medium-sized and mid-market accounting firms, to pledge their commitment to improving accounting transparency and expanding the participation in and practice of the culture of integrity.



Transparent Society Pact for small and medium business sector (Sept. 28, 2018)



Transparent Society Pact for accounting sector (Oct. 31, 2019)

Implementing Transparent Society Pact

After the conclusion, participating institutions, agencies, and organizations worked together to carry out practical tasks, and conducted a public participation evaluation to generate significant results in the relevant field to prove the Pact is not a one-time declarative act.

Implementation Cases of the Pact by Region and Sector in 2019

- ◇ (State-owned/ 36 Companies) Published Casebook of Public Enterprises' Success & Failure of Transparent Management (39 cases of success, 20 cases of failure), distributed it to private enterprises, and conducted the program for spreading a culture of coexistence and integrity with subcontractors.
- ◇ (Gyeonggi Province/ 47 agencies and organizations) Revised bylaws to build a system for public interest reporting in each signed organization, and initiated joint promotion and started the cost disclosure system for public construction projects worth KRW 1 billion or more
- ◇ (Seoul City/ 56 agencies and organizations) Identified and initiated Joint Measures to Eradicate Power Abuse with signed institutions and reflected corporate customers' effort to eradicate power abuse, in its credit rating, interest rates, or other assessment.
- ◇ (Daejeon City/ 43 agencies and organizations) Initiated the Safe Reporting by Proxy where attorney-at-law provides from report counselling to the investigation result for wrongful acts such as workplace harassment, power abuse, etc.
- ◇ (Gwangju City/ 22 agencies and organizations) Revised the code of conduct for eradication of workplace power abuse in signed institutions, and expanded the trend to the private sector by inducing private universities and civic groups to reflect such revision in their bylaws

Supporting Private Sector for Identifying and Spreading a Culture of Integrity

The ACRC has been subsidizing private organizations' projects to spread a culture of creative and autonomous integrity since 2007. After receiving applications for the project through open competition, a private sector subsidy project review committee is formed to comprehensively evaluate the effectiveness, creativity, the organization's ability to carry out the project, and others to select about 10 projects each year. For the selected projects, the government supports an average of KRW 20 million in budget for carrying out the project, and fosters and supports various programs in the private sector, such as the production of creative plays on anti-corruption and fair topics, the holding of a mock court of integrity on campus, and the hosting of a youth integrity film festival.



'Youth Transparency Film Festival' with film critics



Performance of theatrical play 'Rider' at Daehakro theater



Mock court of integrity on campus

Operation of Citizen Integrity Inspector System

The ACRC is encouraging public institutions at all levels to use a participatory corruption

prevention system called the Citizen Integrity Inspector System to enhance transparency in public administration through civic participation. The Citizen Integrity Inspector System in which a public institution appoints private experts, such as accountants, lawyers, architects, and experienced auditors, to conduct inspection, supervision, improvement requests, etc. for the vulnerable areas of corruption in the institution concerned.

In addition, in order to strengthen the capacity of citizen integrity inspector system, workshops are held for integrity citizen auditors and working-level officials of each level of institution to educate them on system improvement and inspection techniques, to share exemplary cases of system operation, and others. As a result, 260 (96.3%) of the 270 institutions subject to the Anti-Corruption Initiative Assessment (AIA) introduced and has operated the system as of 2019, and 220 of them accepted requests for correction, inspection, recommendations for system improvement, etc. by the citizen integrity inspectors, demonstrating practical performance results such as enacting, revising, and conducting inspection.

Implementing Public Monitoring on Policies for Transparency

The ACRC formed the *public monitoring group of transparent policies* with university students, office workers, housewives, etc. to check anti-corruption policies and receive improvement plans in order to get feedback on the direction of anti-corruption and transparent policies from the eyes of the general public, and others.



The first public monitoring group launching ceremony (Apr. 28, 2018)



The second public monitoring group discussion (Apr. 27, 2019)

In 2018, the Public Monitoring Group directly monitored the progress, effectiveness, policy awareness, etc. of a government's anti-corruption master plan, the Five-Year Comprehensive Anti-Corruption Plan and tried to make improvement.

In 2019, the authority tried to share and discuss the experiences and opinions of the monitoring group on 'cheating in daily life' and to find the causes and to improve policies. A total of six cases of the cheating in daily life were selected after various discussions, surveys, and opinions collection through People's Idea Box, and the Public Monitoring Group even presented a solution directly.

Proposal of Solution to Cheating in Daily Life by Topic

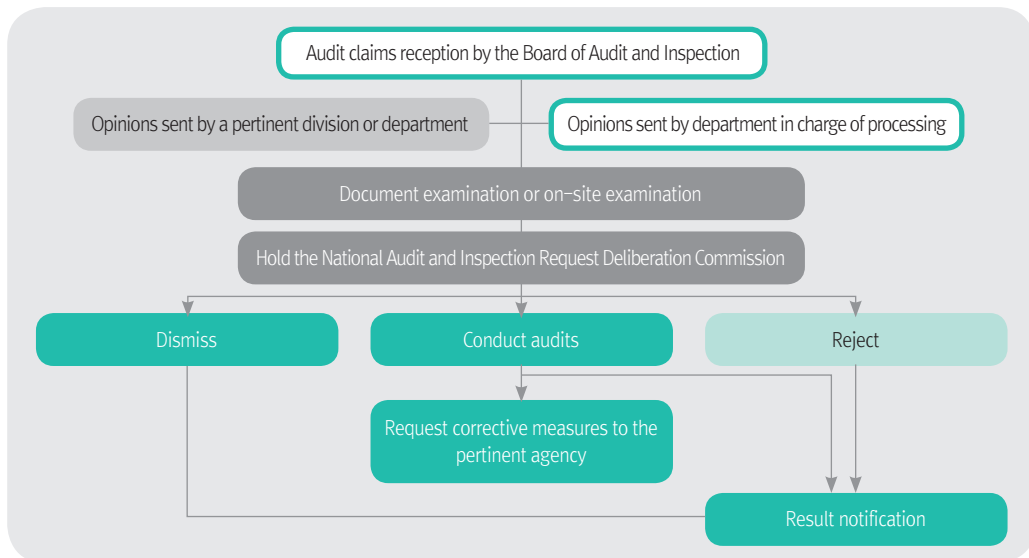
Tasks	Solutions
Strengthening fairness in selection of state scholarships	<ul style="list-style-type: none"> ▶ Creating detailed standards for limiting the number of payment and duplicate payment ▶ Disclosing selection criteria and details of examination results, etc.
Eradicating improper solicitation of high-ranking public officials	<ul style="list-style-type: none"> ▶ New provision for improper solicitations made by public officials to the private sector and the punishment. ▶ Strengthening the level of punishment for high-ranking public officials, etc.
Improving fairness in employing new clerical employees of private schools	<ul style="list-style-type: none"> ▶ Linking the degree of fairness in recruitment to the amount of state subsidy ▶ Entrusting recruitment to specialized institutions and expanding the system of open-type directors, etc.
Resolving corruption in medical care hospital	<ul style="list-style-type: none"> ▶ Mandating the installation of surveillance cameras and participation of guardians in the steering committee ▶ Strengthening identification of caregivers, and prior consent, etc.
Establishing standards for blind recruitment	<ul style="list-style-type: none"> ▶ Recording interview sites and managing the records, and disclosing detailed evaluation scores by item ▶ Simplifying self-introduction and resume, and establishing a procedure for objections from those who fail
Improving public figures' profile	<ul style="list-style-type: none"> ▶ Deleting the region of birth, academic background, etc., which may promote nepotism ▶ Substituting with the criminal record, social contribution, tax payment and arrears, achievements, etc.

National Requests for Audits and Inspections

The national requests for audits and inspections were introduced under Article 40 of the former Anti-Corruption Act on 24 July 2001 and took effect in 2002. When the general public requests an audit on a certain matter, the National Audit and Inspection Request Deliberation Commission consisting of the Board of Audit and Inspection members and outside experts decides whether to conduct the audit, and the Board of Audit and Inspection notifies the petitioner of the results after launching and processing the audit.

An audit may be requested if the administrative affairs of a public institution are deemed to be significantly detrimental to the public interest due to violation of statutes or corrupt acts. Matters concerning state confidentiality and national security, matters concerning investigation, trial and execution of sentences, personal legal relationships or privacy, etc. are however excluded from the audit claim.

Processing Procedure of Public Requests for Audits and Inspections



* Source: The Board of Audit and Inspection website (www.bal.go.kr)

The corrupt acts subject to audit claims are ① an act where a public official abuses his/her position or authority in connection with his/her duties or seeks interests for oneself or a third party in violation of laws, ② an act of incurring property damage to a public institution in violation of budget use, acquisition, management and disposal of public property, or the conclusion and implementation of a contract where a public institution is a party, and ③ an act under ① and ② or an act to force, urge, suggest, induce the concealment of the corruption, and 300 or more people aged 19 or more may jointly sign to request an audit to the Board of Audit and Inspection. Public institutions subject to the request for a public audit and inspection include central administrative agencies, local governments, education related institutions such as education offices, and other public service-related organizations (public service-related organizations under Article 3-2 of the Public Service Ethics Act).

Mandatory Integrity Education for Public Officials and the Education System

Establishing Anti-Corruption Training Institute

In order to improve the integrity and transparency of the public sector, follow-up measures such as detecting and punishing corrupt acts are important, but more importantly, it is essential to fundamentally block corruption through prevention in advance. As an example, integrity education is the most basic and critical means of preventing corruption by enhancing public officials' ethical awareness and strengthening their integrity capabilities.

Therefore, the ACRC established the Anti-Corruption Training Institute (ACTI) in October 2012 as a specialized educational institution dedicated to anti-corruption and integrity education. The ACTI has established and implemented an education plan for anti-corruption and rights relief under Article 12 of the ACRC Act and is designated as an educational and training institution for public officials.

Mandatory Integrity Education for Public Officials

In order to strengthen integrity education for public officials, the ACRC amended the ACRC Act and the Enforcement Decree of the same Act to create a duty for all public officials to complete anti-corruption education once a year and for more than two hours a year from 30 September 2016. The anti-corruption education can be received through face-to-face education or online education using the Internet website, etc. but in the case of new appointees, officials promoted, and others, integrity education must be completed through face-to-face.

In addition, each public institution is obliged to submit the results of anti-corruption education conducted on its employees to the ACRC by the end of February every year. Referring to the written data submitted by each public institution, the Commission checks whether the head of the agency participates in integrity education, integrity education completion rate of all employees, and the completion rate of face-to-face integrity education for high-ranking government officials in addition to new appointees and people promoted, as well as on-site inspections if necessary. The results of the inspection are reflected in the annual Anti-Corruption Initiative Assessment (AIA) conducted by the ACRC for public institutions, as well as the evaluation of government affairs conducted by the Office for Government Policy Coordination and the management assessment of public corporations conducted by the Ministry of Economy and Finance.



Opening of anti-corruption training institute (Oct. 25, 2012)

ACTI	
<ul style="list-style-type: none"> ✓ Establishing operation guide for integrity training ✓ Operating integrity training (face-to-face or on-line) 	<ul style="list-style-type: none"> ✓ Developing & disseminating training contents ✓ Training and providing the pool of integrity education instructors
Public organization at various level	
<ul style="list-style-type: none"> ✓ Conducting in-house training 	<ul style="list-style-type: none"> ✓ Utilizing best instructor materials

Operation system for integrity education

Constitutional institutions such as the National Assembly, the court, and the Board of Audit and Inspection are also obliged to provide anti-corruption education to their employees, but they are required to conduct their own education and inspection in accordance with Article 84 (Special Cases for the National Assembly, etc.) of the ACRC Act.

As of the end of 2019, a total of 1,939 institutions were subject to mandatory anti-corruption education under the ACRC Act, such as central administrative agencies,

local governments, local councils, local educational autonomous agencies (including 176 District Offices of Education), and public service-related organizations, and the commission's inspection found that public officials showed an average completion rate of 93.1% in mandatory anti-corruption education.

Operation System for Integrity Education

Since there are practical difficulties in providing face-to-face education to all public officials at the ACTI, the Institute has prepared an annual integrity education calendar and focuses on education for key personnel such as high-ranking government officials and those in charge of integrity and auditing, as well as new appointees, officials promoted, and others who are obliged to receive mandatory face-to-face education.

Meanwhile, the ACTI provides support to each public institution to provide its own integrity education to its employees. It consistently trains integrity education instructors by operating courses for fostering integrity education instructors, and creates a standard syllabus and lecture manual on integrity education concerning major anti-corruption laws, systems and policies and shares them with institutions of each level and integrity education instructors.

In addition, various content types of integrity education are developed and distributed with the aim of utilizing them for integrity education for public officials and enhancing the public's awareness of the importance of integrity. In particular, the authority has held an annual Integrity Content Contest since 2015, in which public officials and the general public participate together to produce content in various fields such as writing essays, documentaries and raps on the theme of integrity. A total of 1,066 works were received at the 2019 Integrity Content Contest, which was held under the theme of *Integrity, Becomes a Daily Life*, and 50 winners were selected from among them after screened by experts in each field.



Basic course for integrity education instructors training



2019 Integrity Content Contest Awards ceremony (Dec. 11, 2019)

Operation of Integrity Education Courses for Public Officials

The ACTI has been providing integrity education for public officials since its opening in October 2012 as the only anti-corruption and integrity education institution in Korea, and the demand for integrity education has been increasing every year since integrity education became mandatory to all public officials in 2016.

The integrity education by the ACTI focuses not only on promoting understanding of major anti-corruption laws and systems, but also on strengthening the four elements in integrity capabilities of those subject to education (integrity sensitivity, integrity judgment, integrity motivation and integrity implementation) to fundamentally prevent corruption. Therefore, the curriculum of the Institute is characterized by various educational content formats such as lectures, discussions and practices to induce changes in the perception and behavior of trainees, away from one-sided knowledge delivery education.

Operating System for Providing Tailored Integrity Education

The ACTI provides differentiated face-to-face education programs for each subject trainee, such as newcomers, officials promoted, high-ranking government officials, officials in charge of integrity work, workers in the corruption-prone field and integrity education instructors. It also operates a kind of performance-style Integrity Live, Local Council Members' Integrity Training Course, and Integrity Improvement Course for the Institute, which are aimed at all members of the institution, not individual trainees. In 2019, the ACTI provided 16 face-to-face education courses for 128 times, producing 19,694 graduates of integrity education. In 2020, the Millennium Integrity Leadership

Course, which applies the gamification technique to reflect the characteristics of those from millennials generation, will be established and a total of 17 face-to-face education courses will be operated 170 times for about 30,000 people by significantly increasing the number of Integrity Live.

2020 curriculum for face-to-face integrity training courses

Field in detail	Course name	Trainee
Integrity education for institution (3 courses)	Integrity Live	All employee including a head of organization and high ranking officers
	Integrity education course in partnership with other public official training institutes	Public officials
	Local council integrity training course	Council members and staff
Customized training for mandatory integrity education (6 courses)	Course for improvement in integrity leadership	High ranking public officials, school principals
	Course for improvement in integrity capability for newcomers	New public officials
	Course for improvement in integrity capability for public officials promoted	Promoted public officials
	Millennials integrity leadership course (introduced in 2020)	Millennials public officials
	Course for improvement in corruption response capacity	Employees of public institutions in corruption risk area
	Integrity expert course	Public officials in charge of audit and integrity at public institutions
Instructor training (4 courses)	Integrity instructor training course (Basic·Professional·Refresher sessions)	Public officials, general public
	Teacher job training course	Integrity education basic course instructor
Others (4 courses)	Course for reinforcing integrity capability	Public officials, general public
	Course for accurate understanding about the Improper Solicitation and Graft Act	Public officials
	Course to understand Ombudsmanship	Employees in charge of complaint handling at public institutions
	ACRC common job course	ACRC employees

Developed in 2013 by the ACTI, the Integrity Live is a new type of integrity education that utilizes various performances such as *pansori*, play, Yard play (*Madang-geuk*), and sand art, and is an educational program that targets a large number of senior officials and employees, etc. along with heads of government agencies. The ACTI annually receives applications from public institutions at various levels and selects institutions for the performance of Integrity Live, and hosted a total of 44 Integrity Live in 2019. The Integrity Live consists of content that allows trainees to understand the problems and the value of integrity caused by corruption, and feel moved and fun, recording a high satisfaction rate of more than 90 percent every year.

In addition, the ACTI has been providing customized training courses for local council members since 2018 to help establish a clean parliamentary image trusted by local residents. This is due to the low participation rate of local council members in integrity education as well as the significantly lower level of integrity assessment results of local councils compared to other public institutions. The ACTI's Integrity Training Course for the Local Council consists of lectures on anti-corruption laws necessary in the course of parliamentary activities, such as the Code of Conduct for Local Assemblymen and the Improper Solicitation and Graft Act, and experience activities such as the pledging ceremony for integrity as a community leader. In 2019, the ACTI offered the courses for a total of 17 local councils, such as Seoul Metropolitan Government, North Chungcheong Province and Pohang City.



Integrity Live for the Ministry of Land, Infrastructure and Transport (Aug. 19, 2019)



Integrity training courses for Seoul Metropolitan Council (Dec. 12, 2019)

In addition, the ACTI provides integrity education to public officials and the candidates who participate in education programs organized by the relevant educational institutions through cooperation with the National Human Resources Development Institute, Local Government Officials Development Institute, Institute of Justice, and Korean National Diplomatic Academy and others.

The ACRC's ACTI plans to strengthen integrity education for high-ranking government officials, such as political and elected officials, in line with the rising public expectations on the integrity of public officials, thereby focusing its efforts on expanding the influence within the public office and spreading awareness of integrity throughout society. It also plans to expand active participatory courses in various ways using the latest educational trends.

Operating Online Integrity Education Courses

The ACTI operates the Cyber Integrity Education Courses (<http://acti.nhi.go.kr>) that allows many public officials to conveniently receive integrity education online. As of the end of February 2020, 13 courses are available online, such as Recognizing Acts of Corruption, Developing Integrity Judgment, Understanding Anti-Corruption and Integrity Policy, Understanding the Improper Solicitation and Graft Act, Learning the Corruption Risk Assessment Evaluation from Cases, Basics of the Code of Conduct for Public Officials, Public Interest Reporting changes the World, and others. The number of public officials who completed online integrity education from the launch of the ACRC in 2008 to the end of 2019 has been steadily increasing every year to 960,000 people. In 2019, a total of 177,132 public officials completed online integrity education.

Operating Training System for Fostering Integrity Education Instructors

The ACTI runs a system to train integrity education instructors to help its employees

conduct their own integrity education at various levels. The integrity education instructors, which are trained by the ACTI are classified as basic instructors who can provide integrity education within their institutions and organizations, professional instructors who can provide professional integrity education for anti-corruption laws and systems and knowledge, etc. and elective instructors who can provide knowledge education to foster sense of integrity. In order to qualify as a basic instructor and a professional instructor, applicants must complete the relevant curriculum of the Institute and pass an exam, and as for an elective instructor, applicants must pass the evaluation by the Deliberation Committee of the ACTI.

As of the end of July 2020, the ACTI produced a total of 2,280 integrity education instructors, including 1,978 of basic instructors, 264 of professional instructors, and 38 of elective instructors. The list of professional integrity education instructors is available on the website of the ACTI (<http://edu.acrc.go.kr>) so that anyone can invite an instructor they want to provide integrity education to employees of the institution.

Operating Anit-Corruption Training for Foreign Officials

The ACRC runs the integrity education courses for foreign public officials from various countries since 2013 as part of an ODA (Official Development Assistance) to support enhancement of anti-corruption capabilities in developing countries. The training participants are chosen from recommended applicants from anti-corruption agencies in each country, and about 15 people takes part in the program every year. Starting in 2020, courses will be provided in Russian for Central Asian countries besides English. In addition, the ACRC operates customized anti-corruption policy training courses for each country at the request of various governments and international organizations such as the UN Development Program (UNDP), and has shared experiences in implementing anti-corruption policies with the international community such as Integrity Assessment, Anti-Corruption Initiative Assessment (AIA), Corruption Risk Assessment (CRA), and others which have been internationally recognized for their excellence.

Integrity Education for the General Public

To fundamentally address problems arising from corruption, a culture of integrity has to be established in our society, which raises the need to expand integrity education to cover the general public ranging from teenagers to adults as well as public officials, so that we can have future citizens with integrity and a sense of responsibility. To this end, the ACTI stepped up its efforts to connect and communicate with the public about the value of integrity by running various integrity education programs considering various characteristics by generation and group from future generations to adults.

Integrity Education for Future Generations

The ACTI is operating the Program for Integrity Experience and Camp for a Culture of Integrity to raise awareness among future generations about the meaning of integrity and the need to practice integrity in life. The Program for Integrity Experience provides a variety of participatory and hands-on activities for elementary and middle school students, such as action learning and debate competition, while the Camp for a Culture of Integrity consists of programs such as Golden Bell Quiz, special history lectures, traditional performance shows and raps on integrity for high school seniors who have taken the College Scholastic Ability Test. In 2019, the ACTI operated the Program for Integrity Experience 10 times and the Camp for a Culture of Integrity 8 times.

Integrity Education for College Students and General Public

Meanwhile, the ACTI offers anti-corruption courses in cooperation with national universities in connection with the university's curriculum, and in cooperation with local

governments and other public institutions, it provides courses on integrity for local residents in connection with local integrity festivals and lifelong education programs. It is also holding a public broadcasting lecture to effectively convey a message of integrity to more people. On 20 June 2019, a lecture under the theme of Integrity to Change the World was broadcast on CBS' Time to Change the World, 15 Minutes and the video of the lecture was spread through various media such as YouTube, Facebook, and CBS-TV, which had a significant ripple effect, recording about 2.6 million views as of the end of 2019.



Program for Integrity Experience in affiliated elementary school of Cheongju National University of Education (July 18, 2019)



CBS broadcast lecture (June 20, 2019)

Developing and Distributing Integrity Content for General Public

In order to spread the anti-corruption and integrity culture throughout society, the ACTI has developed and distributed customized integrity education content to the general public of various generations, recognizing that changing the awareness of not only public officials but also all members of society is necessary.

The ACTI produces online public lectures, the Integrity-MOOC and micro-learning-type educational videos titled *Cheongsajin* (meaning 'blueprint' in Korean; A transparent future with integrity), in Korean and English focusing on topics of high interest from the public's perspectives, providing easy access to online.

Integrity-MOOC is a public integrity lecture in the form of an online open course MOOC (Massive Open Online Course) that sheds light on the value of integrity and fairness in

the humanities such as history and culture, and provides information on anti-corruption laws such as the Improper Solicitation and Graft Act and the Protection of Public Interest Reporters Act that people should know in their daily lives. Integrity-MOOC is installed and operated on the K-MOOC (National Institute for Lifelong Education) and GSEEK (Gyeonggi-do Provincial Institute for Lifelong Learning), the leading online open lecture management institutions in Korea.

The *Cheongsajin* ('blueprint') consists of four short 5–6 minutes of video clips under the theme of *Conscience, Public Interest Reporter, A Disaster Caused by Corruption and 10 Meters in Radius of Integrity* and is released on social media platforms such as the website of the ACTI and YouTube.

In addition, the ACTI developed a game-type educational content called the *Jewel of Faith* to help future generations establish the right values of integrity. The *Jewel of Faith* is a board game based on the gamification of situated learning designed to help students effortlessly recognize the value of integrity such as fairness, responsibility, commitment, discipline, honesty and consideration while playing games.

In order to establish a culture of integrity and fairness in the lives of the people, the ACTI plans to develop and spread more diverse content of integrity education that meet the people's standards. In addition, the government plans to cooperate with the education office and schools to expand integrity education for teenagers so that future generations could grow into citizens with integrity.



Online Open Lecture Integrity-MOOC



Integrity board game, *Jewel of Faith*





Strengthening International Cooperation

Active Implementation of the International Anti-Corruption Instruments

The Korean government has been actively participating in the international efforts to fight corruption, by implementing international anti-corruption conventions, joining the multilateral anti-corruption fora, and cooperating with international organizations and foreign anti-corruption agencies.

Implementing UN Convention against Corruption (UNCAC)

The creation of UNCAC was based on the search of international norms which could apply to developing countries as well as advanced countries on which most of the anti-corruption convention discussions in international communities had been focused. The UNCAC was signed by representatives from 120 countries including the Republic of Korea at Merida, Mexico in December 2003, and took effect on December 14, 2005.

Republic of Korea signed the UNCAC in 2003 and its local enforcement legislation, the Act on Special Cases Concerning Confiscation and Recovery of Stolen Assets was passed by the National Assembly on February 29, 2008, resulting in the official ratification. A total of 187 countries, including RoK, are contracting parties as of February 2020.

The ACRC as a designated preventative anti-corruption authority in Korea under the Article 6, Paragraph 3, in cooperation with the Ministry of Justice and other relevant agencies, work for the local implementation of the Convention and respond to the country implementation review as well as participate in the Conference of the State Parties, Implementation Review Group and Working Group in Prevention.

Implementation review mechanism, adopted in the 3rd session of the Conference of State Parties, held in Doha, Qatar in November 2009, has been operated through peer review system, to monitor the implementation status of each state party.

Accordingly, in the first review cycle to review Chapter 3 (Criminalization and law enforcement) and Chapter 4 (International cooperation), Korea was reviewed on its implementation by Bulgaria and Indonesia during 2012 and 2013, and reviewed the implementation of Micronesia with Mongolia during 2013 and 2014. Good practices in relation to Chapter 3 resulted from Korea's implementation review included keeping detailed criminal cases statistics; having elaborate sentencing guideline to prevent arbitrary discretion by courts; and important preventative role played by the ACRC. Chapter 4 good practices included providing wide range of legal assistance in criminal matters with requesting countries; KoFIU playing a substantial role in MLA; and various institutions (including the ACRC) engagement in international cooperation as technical assistance provider.

As for the second review cycle to review Chapter 2 (Preventative measures) and Chapter 5 (Asset recovery), Korea participates in the review of Solomon Islands together with Vietnam. The Korea's review process started in June 2019, Korea's focal points (ACRC, Ministry of Justice, and Ministry of Foreign Affairs) were designated in September 2019, and the self-assessment checklist were submitted in November 2019.

Implementation of OECD Anti-Bribery Act

OECD Anti-Bribery Convention, an international norm for the purpose of criminalising the active bribery to foreign public officials, entered into effect in February 1999. 44 countries including 37 OECD member countries and 7 non-OECD countries – Argentina, Brazil, Bulgaria, Costa Rica, Peru, Russian and South Africa – have adopted the Convention. Korea ratified the OECD Anti-Bribery Convention, by enacting the Act on Combating Bribery of Foreign Public Officials in International Business Transactions in December

1998, which has been enforced since February 1999.

OECD Working Group on Bribery (WGB), established to review implementation of the Convention holds 4 sessions every year to conduct peer review of the implementation of member countries, and to share information of convention violation case investigation and related international mutual assistance.

The implementation OECD Bribery Convention is peer-reviewed, and participation of peer review mechanism is considered as a duty as well as right of member states. The ACRC is in charge of areas of protecting whistleblowers, raising awareness of the Convention, and cooperation with the private sector while the Ministry of Justice was in charge of enforcing the Convention and sanction against violators, to participate the WG sessions and draft implementation review reports.

Korea had its first-round review in July 1999, which examined the enactment of domestic legislation for implementing the Convention, and had the second-round review on implementation in November 2004 with Australia and Finland as reviewing countries. In October 2011, Korea successfully completed the third-round implementation review on the prosecution and punishment of violations of the Convention with Finland and Israel as reviewing countries. The country implemented recommendations issued during the third-round review.

In December 2018, the report was adopted for the fourth-round implementation review on Korea with Italy and Finland as reviewers. Major recommendations included are as follows: △ strengthening regulations on corporations; △ reinforcing cooperation between the prosecution and police, including information sharing; △ active investigation into accounting fraud for the purpose of overseas bribery; and △ enhancing the ability of government agencies and private organizations to detect overseas bribery. WGB noted positive aspects of the ROK's anti-bribery framework, notably the recently revised Act on Combating Bribery of Foreign Public Officials in International Business Transactions, which contains a new provision on punishment for paying bribes to third party

beneficiaries, as well as the Korea's comprehensive legal and institutional framework for whistleblower reporting and protection, and said that this is an example of good practice among the member countries of the Group in this area.

The Korean delegation provided written and oral reports on the implementation status of the recommendations issued during the fourth-round implementation review at the conference held at the OECD headquarters located in Paris on December 10 to 13, 2019. Korea delegation briefed about the bill to increase the amount of fine imposed on natural and legal persons in relation with foreign bribery and the pending amendment bill of Protection of Communications Secrets Act, which would allow the wiretapping investigation.



Participating Anti-corruption Rounds of International and Regional Fora

G20 Anti-corruption Action Plan

The global financial crisis in 2008 brought the common acknowledgement within G20 circle that the corruption problem had a close relationship with the economic crisis and development, thereby the 3rd G20 Leaders summit at Pittsburgh started to discuss anti-corruption agenda and G20 Anti-Corruption Working Group (ACWG) was created to ensure more concrete and practical anti-corruption initiatives at the Toronto summit in 2010.

Through this development, 5th G20 Seoul Summit reached an agreement that corruption is a serious obstacle to economic growth and development and G20 countries have special obligations to prevent and fight corruption, which was enshrined in the declaration and adopted 'G20 anti-corruption action plan' as its annex.

The ACRC emphasized that tackling corruption is the pre-requisite condition to economic development and raised the necessity of anti-corruption discussion under the umbrella of G20 and led the inclusion of anti-corruption action plan in one of the annexes to the Seoul Summit Declaration. Since the creation of ACWG, the ACRC has participated in the ACWG meetings as a head of Korea delegation, playing the leading role in and out of the country in the international anti-corruption discussions.

The ACRC has successfully wrapped up a survey on the policies to promote G20 member countries and their public institutions to implement anti-corruption policies, which was proposed as part of the G20 2017–2018 Anti-Corruption Action Plan. At the G20 Anti-

Corruption Working Group Meeting for 2018, a report about the outcome of the survey was submitted and such content was included in the 2018 G20 Anti-Corruption Working Group Meeting Implementation Report. The survey on G20 countries led by Korea identified and analyzed the institution or mechanism to ensure public organizations to voluntarily develop and implement their own anti-corruption initiatives. It will provide a good reference material in terms of the implementation of Article 5 (Preventative anti-corruption policies and practices) of the UNCAC.

Regarding the protection of whistleblowers, the main agenda of the G20 Anti-Corruption Working Group of 2019, the ACRC contributed to developing the high-level principles based on its experience of operating the protection system for whistleblowers in Korea. At the G20 Summit held in Osaka in June, the High-level Principles for Effective Protection of Whistleblowers and the G20 Compendium of Good Practices for Promoting Integrity and Transparency in Infrastructure Development were adopted as the annex of the summit.

APEC Anti-Corruption and Transparency Experts Working Group

Asia-Pacific Economic Cooperation (APEC), the world largest regional economic forum (21 members) started to discuss on fighting corruption and promoting transparency since 2003. For this, Korea government, together with the US, and Chile actively pursued to set up anti-corruption discussion table within the APEC, resulting in the APEC Leaders' adoption of the Santiago Commitment to Fight Corruption and Ensure Transparency, and the APEC Course of Action on Fighting Corruption in 2004.

The ACRC led the creation of APEC Anti-Corruption & Transparency Task Force meeting at the APEC Anti-Corruption and Transparency Symposium in Korea in September 2005, and helped to upgrade to a Working Group, in cooperation with the US.

The ACRC attends the APEC Anti-Corruption and Transparency Working Group Meetings

and workshops every year, where it shares the Korean government's anti-corruption commitment and efforts, helping other member countries build their anti-corruption capabilities.

Anti-Corruption Initiative for Asia-Pacific

ADB/OECD Anti-Corruption Initiative for Asia-Pacific was launched in 1999 to support anti-corruption efforts of Asia-Pacific countries through effective implementation of UNCAC. Its members are 31 economies including Australia, China, Hong Kong, Japan, Singapore and RoK.

ADB/OECD holds Steering Group Meeting for Asia-Pacific inter-governmental policy discussion and anti-corruption capacity building workshop every year, and Anti-Corruption Conference every 2 to 3 year.

The ninth Regional Anti-Corruption Conference of ADB/OECD Anti-Corruption Initiative was held in Seoul from November 15 to 17 in 2017, and the first Meeting of the Public Integrity Network (PIN), the third Meeting of the Law Enforcement Network (LEN) and the 22nd Steering Group Meeting of ADB/OECD were held on the side-lines.



Regional Anti-Corruption Conference of ADB/OECD Anti-Corruption Initiative (Nov. 15, 2017, Seoul)

Leading Anti-corruption Technical Support through Bilateral Cooperation

The ACRC is a designated corruption prevention agency under the United Nation Convention Against Corruption. To support other state parties in establishing and implementing anti-corruption policies, the ACRC has provided anti-corruption technical support to many countries including those in Asia and the Middle East by signing MOUs with them.

Cooperation under Anti-corruption MOUs.

① Korea-Indonesia anti-corruption cooperation : The Korea-Indonesia MOU on anti-corruption cooperation, signed in December 2006, is the first anti-corruption cooperation MOU that Korea signed with a foreign government. It was signed at the request of Corruption Eradication Commission, or also know as KPK, of Indonesia, which showed interest in learning Korea's anti-corruption policies and techniques and intended to cooperate with Korea whose anti-corruption efforts showed tangible results. As a follow up measures of the MOU, from 2007, the ACRC introduced to Indonesia its Integrity Assessment (IA) for public officials, Anti-corruption Initiative Assessment (AIA), and Corruption Risk Assessment (CRI). As a result, every year since 2008, Indonesia has conducted AI and AIA and disclosed the results. Since 2009, the country has carried out CRA and notified legislations with corruption-causing factors and recommendation for improvement to the relevant authorities.

② Korea-Vietnam anti-corruption cooperation: Since signing an MOU with the Central Commission for Internal Affairs of Vietnam in February 2010, the ACRC has been actively

engaging in various cooperative activities with the country, regularly sharing its anti-corruption policies and supporting the country's anti-corruption policy implementation through presentations on 'Criteria for Corruption Assessment' and 'Whistleblower Protection Policies' in international workshops.

③ Korea–Mongolia anti-corruption cooperation : At the request of Independent Authority Against Corruption (IACC) of Mongolia, the ACRC signed an MOU in February 2010 and introduced its IA, CIA, and CRA to the country. As a result, since 2010, IA has been conducted in Mongolia.

④ Korea–Tunisia anti-corruption cooperation: At the request of Tunisian Anti-Corruption Agency (INLUCC), the ACRC signed an MOU with Tunisia. The bilateral cooperation started when the ACRC built e-People, online complaint-filing and-handling platform, in the Tunisia (Dec. 2015 ~ Dec. 2017) and then continued through an anti-corruption workshop for Tunisian senior officials under "KOICA-UNDP Democracy Support Project" (6~10, Mar. 2017). The MOU was signed on 23 March 2018 when Secretary General of the ACRC visited Tunisia for the e-People system opening ceremony.

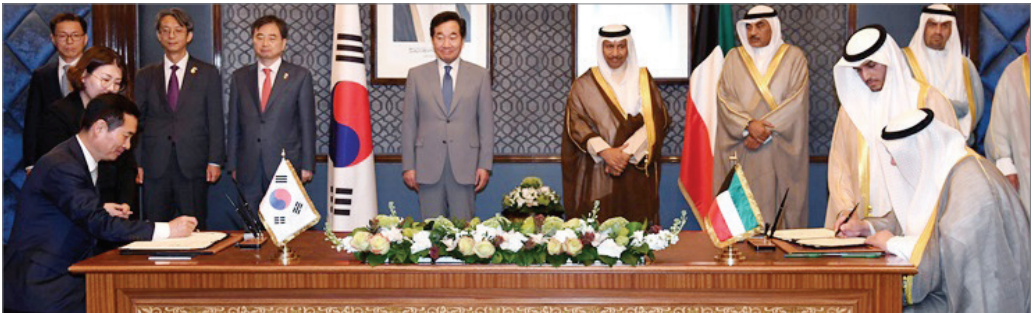
⑤ Korea–Iraq anti-corruption cooperation: The ACRC signed an MOU with the Commission of Integrity (COI) of Iraq, in writing, in April 2018. Under the MOU, in August of the same year, in Sejong city, Korea, ACRC-UNDP held AIA workshop for the COI. And in 2019, COI staff made a study visit to Korea to learn Korea's various anti-corruption policies (26~29 June 2019)

⑥ Korea–Myanmar anti-corruption cooperation: In 2018, the Anti-Corruption Commission (ACC) of Myanmar learned AIA from the ACRC after selected as a partner country under ACRC-UNDP anti-corruption project. At the request of the ACC for continuous policy exchanges, Korea–Myanmar MOU was signed for cooperation on anti-corruption.

⑦ Korea–Qatar anti-corruption cooperation: The ACRC signed an MOU with the

Administrative Control and Transparency Authority of Qatar. From 2017, Qatar had requested to sign an MOU with Korea to learn Korea's anti-corruption experiences and know-hows, especially on the development of indexes of Integrity Assessment for public organizations. In October 2018, in Sejong, the Korea-Qatar MOU was signed, and policy workshop was held to introduce Korea's anti-corruption policies such as AIA and AI to the ACTA.

⑧ Korea-Kuwait anti-corruption cooperation: The ACRC signed an MOU with Kuwait Anti-Corruption Authority (ACA) on 1 May 2019 during former Prime Minister Lee Nak-yeon's visit to Kuwait. The MOU was signed at the request of the ACA which had visited Korea in March for anti-corruption policy workshop after ACRC Chairperson, requested by the UNDP, delivered a presentation in Kuwait International Integrity Conference in January.



■ Signing ceremony of the MOU with Kuwait ACA (May 1, 2019, Kuwait City)

⑨ Korea-Uzbekistan anti-corruption cooperation: During a meeting between ACRC Chairperson and Uzbekistan Prosecutor General on 16 August 2018, Uzbekistan requested the ACRC to share Korea's experiences and policies on protecting citizens' rights and interests. And in 2019, AIA was introduced to Uzbekistan as part of ACRC-UNDP cooperation project. For continuous cooperation between the two countries, Korea-Uzbekistan MOU was signed in writing.

ACRC-UNDP Anti-Corruption Cooperation Projects

As a follow up measure of the “2015 Seoul Debates”, which was jointly organized by the ACRC and UNDP on 29 January 2015 under the theme of “Share Korea’s Anti-Corruption Experience with the World”, the ACRC, partnering with the UNDP, has shared Korea’s anti-corruption experiences with the world and supported developing countries in the adoption of Korea’s anti-corruption policies.

On 4 July 2015, the ACRC and UNDP signed an MOU for anti-corruption cooperation. Under the MOU, the two organizations agreed: to cooperate to discover areas for trilateral cooperation among ACRC, UNDP, and a developing country for anti-corruption development; to develop publications and joint projects to share Korea’s anti-corruption experiences and policies; and to support developing countries in adopting ACRC’s anti-corruption policies.

As the first joint project under the MOU, ACRC’s AIA was introduced and conducted on public organizations of Vietnam on a pilot basis. In 2016, the Government Inspectorate of Vietnam (GIV) developed AIA assessment indexes and got consultation from the ACRC. 63 local governments went through pilot AIA as well.

On 16 March, 2017, at a ACRC-UNDP-GIV workshop, the results of the AIA were shared, and how to expand AIA to Vietnam’s central government agencies were discussed. In addition, for the stable implementation of the system, from 24 October, the ACRC and UNDP held a three-day policy workshop for seven officials from GIV, the Central Commission for Internal Affairs of Vietnam, and Prime Ministers’ Office of Vietnam in Sejong, Korea.

In 2018, based on the decision to give anti-corruption technical support for the introduction of AIA in Myanmar and Kosovo, the ACRC and UNDP held webinars and workshops and explained laws and operation cases that can be helpful for AIA to be successfully implemented in the two countries.

In 2019, to share AIA with Malaysia and Uzbekistan, the ACRC and UNDP organized webinars (in January for Malaysia, and March for Uzbekistan) and study visits (in April for Malaysia and September for Uzbekistan) and provided Korea's experiences and know-hows on the operation of the system.



4th ACRC–UNDP–Malaysia video conference (Jan. 24, 2019)

The cooperation project set a good example for technical supports to developing countries based on trilateral cooperation: the ACRC provided policy content and consulting services; the UNDP utilized its expertise in development project for developing countries and its global network through its local offices; and governments of the beneficiary countries made active efforts with a strong will.

List of Major Anti-Corruption Legislations

- [Act on Combating Bribery of Foreign Public Officials in International Business](#)
- [Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits \(Public Funds Recovery Act\)](#)
- [Act on Public Sector Audits](#)
- [Act on Regulation of Punishment of Criminal Proceeds Concealment](#)
- [Act on Special Cases concerning the Confiscation and Return of Property Acquired through Corrupt Practices](#)
- [Act on the Prevention of Corruption and the Establishment and Management of the Anti-Corruption and Civil Rights Commission \(ACRC Act\)](#)
- Corruption Investigation Office For High-ranking Officials (to be translated)
- [Improper Solicitation and Graft Act](#)
- [Official Information Disclosure Act](#)
- [Protection of Public Interest Whistle-blowers Act](#)
- [Public Service Ethics Act](#)
- [State Public Officials Act](#)

* English translations of legislation are available at Korea Law Translation Center (elaw.klri.re.kr)

