

OVERSEAS AGRICULTURE AND FOREST RESOURCES DEVELOPMENT AND COOPERATION ACT

Act No. 13032, Jan. 20, 2015

Amended by Act No. 13448, Jul. 24, 2015

Act No. 14656, Mar. 21, 2017

Article 1 (Purpose)

The purpose of this Act is to contribute to the national economy and the international community through stable securement of overseas agricultural resources and overseas forest resources and international cooperation by prescribing and promoting matters concerning development of overseas agricultural and forest resources and cooperation therefor. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 2 (Definitions)

The terms used in this Act shall be defined as follows: *<Amended by Act No. 11965, Jul. 30, 2013; Act No. 13032, Jan. 20, 2015>*

1. The term "national of the Republic of Korea" means a person who has nationality of the Republic of Korea and a corporation incorporated in accordance with any Act of the Republic of Korea: Provided, That a corporation prescribed by Presidential Decree which is virtually controlled by a foreigner, among corporations, more than half of the amount of capital or a majority of the voting rights of which belong to foreigners under subparagraph 2;
2. The term "foreigner" means a person who has foreign nationality, a corporation incorporated in accordance with the laws of a foreign country, and a foreign government;
3. The term "overseas agricultural resources" means overseas agricultural products prescribed by Presidential Decree (including those for raw materials of bioenergy falling under subparagraph 2 (f) of Article 2 of the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy) and livestock products;
- 3-2. The term "overseas forest resources" means overseas forest products prescribed by Presidential Decree (including those for raw materials of bioenergy falling under subparagraph 2 (f) of Article 2 of the Act on the Promotion of the Development, Use and Diffusion of New and Renewable Energy);
4. The term "development of overseas agricultural resources" means development of overseas agricultural resources conducted by a national of the Republic of Korea in any foreign country by methods under Article 3 (including a survey for development and any project incidental to

development; hereinafter the same shall apply), which is prescribed by Presidential Decree;

5. The term "development of overseas forest resources" means development of overseas forest resources conducted by a national of the Republic of Korea in any foreign country by methods under Article 3 (including a survey for development and any project incidental to development; hereinafter the same shall apply), which is prescribed by Presidential Decree;

6. The term "operator of an overseas agricultural resources development project" means a person who has reported a plan for an overseas agricultural resources development project under Article 7;

6-2. The term "operator of an overseas forest resources development project" means a person who has reported a plan for an overseas forest resources development project under Article 7;

7. The term "international agricultural cooperation project" means a project promoted by the State, a local government, or a public institution under the Act on the Management of Public Institutions (hereinafter referred to as "public institution") to develop agriculture and rural communities in a foreign country, which is prescribed by Presidential Decree;

8. The term "international forest cooperation project" means a project promoted by the State, a local government, or a public institution to develop forestry and mountain communities in a foreign country and to improve its forest environment, which is prescribed by Presidential Decree.

Article 3 (Methods of Overseas Agricultural and Forest Resources Development)

Development of overseas agricultural resources or overseas forest resources (hereinafter referred to as "overseas agricultural or forest resources") shall be conducted as follows, as prescribed by Presidential Decree: <Amended by Act No. 13032, Jan. 20, 2015>

1. Whereby a national of the Republic of Korea develops overseas agricultural or forest resources solely or jointly with a foreigner (including cases where he/she conducts such development through an overseas local corporation);

2. Whereby a national of the Republic of Korea develops overseas agricultural or forest resources by providing a foreigner with technical services;

3. Whereby a national of the Republic of Korea develops overseas agricultural or forest resources by lending or investing development funds or assisting in financing the same for a foreigner.

Article 4 (Relationship with other Acts)

(1) Notwithstanding the provisions of other Acts, this Act shall apply to the support for and promotion of the development of overseas agricultural resources or overseas forest resources (hereinafter referred to as "development of overseas agricultural or forest resources"): Provided, That where an operator of an overseas agricultural resources development project or an operator of an overseas forest resources development project intends to conduct an act, transaction, etc. governed by the Foreign Exchange Transactions Act to perform such overseas agricultural or forest resources development projects, he/she shall comply with the Foreign Exchange Transactions Act. <Amended Act No. 13032, Jan. 20, 2015>

(2) Except as otherwise expressly prescribed by this Act, the Financial Investment Services and Capital Markets Act shall apply to any of the following companies, etc.: Provided, That Articles 249-12 (4)

through (6) and 249-13 (1) of the Financial Investment Services and Capital Markets Act shall not apply to investment companies specialized in development of overseas agricultural resources and investment companies specialized in development of overseas forest resources: <Amended Act No. 13032, Jan. 20, 2015; Act No. 13448, Jul. 24, 2015>

1. Overseas agricultural resources development investment companies under Article 11 (1) and collective investment business entities, trust business entities, and general administration companies of overseas agricultural resources development investment companies;
 2. Investment companies specialized in development of overseas agricultural resources under Article 11 (2);
 3. Overseas forest resources development investment companies under Article 22-2 (1) and collective investment business entities, trust business entities, and general administration companies of overseas forest resources development investment companies;
 4. Investment companies specialized in development of overseas forest resources under Article 22-2 (2).
- (3) Where an overseas agricultural resources development investment company or an investment company specialized in development of overseas agricultural resources under Article 11 or an overseas forest resources development investment company or an investment company specialized in development of overseas forest resources under Article 22-2 falls under a holding company under subparagraph 1-2 of Article 2 of the Monopoly Regulation and Fair Trade Act, Article 8-2 (2) 2 of the same Act shall not apply thereto. <Amended by Act No. 13032, Jan. 20, 2015>

Article 5 (Formulation of Comprehensive Plans for Development of Overseas Agricultural Resources)

(1) Every five years, the Minister of Agriculture, Food and Rural Affairs shall formulate a comprehensive plan for development of overseas agricultural resources (hereinafter referred to as "comprehensive plan for development of overseas agricultural resources"), as prescribed by Presidential Decree. In such cases, he/she shall consult, in advance, with the heads of the relevant central administrative agencies. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 13032, Jan. 20, 2015; Act No. 14656, Mar. 21, 2017>

(2) Each comprehensive plan for development of overseas agricultural resources shall include the following matters: <Amended by Act No. 13032, Jan. 20, 2015; Act No. 14656, Mar. 21, 2017>

1. The objectives of and strategies for development of overseas agricultural resources and plans to promote the same by phase;
2. Changes and prospects of the international supply and demand of agricultural products;
3. Matters concerning surveys of overseas agricultural resources;
4. Matters concerning the promotion of and support for development of overseas agricultural resources;
5. Matters concerning international cooperation with international agricultural organizations, etc.;
- 5-2. Matters concerning international agricultural cooperation projects (limited to projects of the Ministry of Agriculture, Food and Rural Affairs, agencies affiliated therewith, and public institutions under its jurisdiction);

6. Matters concerning bringing in overseas agricultural resources;

7. Other matters necessary for efficiently promoting development of overseas agricultural resources.

(3) The Minister of Agriculture, Food and Rural Affairs shall determine a comprehensive plan for development of overseas agricultural resources through deliberation by the Overseas Agricultural and Forest Resources Development Deliberative Council under Article 6 and publicly announce such plan.

<Amended by Act No. 11690, Mar. 23, 2013; Act No. 13032, Jan. 20, 2015>

(4) Other matters necessary for the formulation, etc. of a comprehensive plan for development of overseas agricultural resources shall be prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 5-2 (Formulation of Comprehensive Plans for Development of Overseas Forest Resources)

(1) Every five years, the Minister of the Korea Forest Service shall formulate a comprehensive plan for development of overseas forest resources (hereinafter referred to as "comprehensive plan for development of overseas forest resources"), as prescribed by Presidential Decree. In such cases, he/she shall consult, in advance, with the heads of the relevant central administrative agencies. *<Amended by Act No. 14656, Mar. 21, 2017>*

(2) A comprehensive plan for development of overseas forest resources shall include the following matters: *<Amended by Act No. 14656, Mar. 21, 2017>*

1. The objectives of and strategies for development of overseas forest resources and plans to promote the same by phase;

2. Changes and prospects of the international supply and demand of forest products;

3. Matters concerning surveys of overseas forest resources;

4. Matters concerning the promotion of and support for development of overseas forest resources;

5. Matters concerning international cooperation with international forest organizations, etc.;

6. Matters concerning international forest cooperation projects (limited to projects of the Korea Forest Service, agencies affiliated therewith, and public institutions under its jurisdiction);

7. Matters concerning bringing in overseas forest resources;

8. Other matters necessary for efficiently promoting the development of overseas forest resources.

(3) The Minister of the Korea Forest Service shall determine a comprehensive plan for development of overseas forest resources through deliberation by the Overseas Agricultural and Forest Resources Development Deliberative Council under Article 6 and publicly announce such plan.

(4) Other matters necessary for the formulation, etc. of a comprehensive plan for development of overseas forest resources shall be prescribed by Presidential Decree.

Article 6 (Establishment and Operation of Overseas Agricultural and Forest Resources Development Deliberative Council)

(1) An Overseas Agricultural and Forest Resources Development Deliberative Council (hereinafter referred to as the "Deliberative Council") shall be established under the jurisdiction of the Ministry of Agriculture, Food and Rural Affairs to deliberate on the following matters concerning the development of overseas agricultural and forest resources: *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 13032, Jan. 20,*

2015; Act No. 14656, Mar. 21, 2017>

1. Matters concerning the formulation of a comprehensive plan for development of overseas agricultural resources or a comprehensive plan for development of overseas forest resources (hereinafter referred to as "comprehensive plan for development of overseas agricultural or forest resources");
 2. Matters concerning overseas agricultural and forest resources;
 - 2-2. Matters concerning bringing in overseas agricultural or forest resources;
 3. Matters for strengthening the competitiveness of the development of overseas agricultural or forest resources and creating the foundation for the development thereof;
 4. Matters concerning administrative and financial support for promoting the development of overseas agricultural or forest resources;
 - 4-2. Matters concerning the promotion of international agricultural cooperation projects or international forest cooperation projects (limited to projects of the Ministry of Agriculture, Food and Rural Affairs or the Korea Forest Service, or of agencies affiliated therewith and public institutions under their jurisdiction);
 5. Other matters submitted to the Deliberative Council by the Minister of Agriculture, Food and Rural Affairs, which are important for the development of overseas agricultural or forest resources.
- (2) The Deliberative Council shall be comprised of not more than 18 members, including one Chairperson. <Amended Act No. 13032, Jan. 20, 2015>
- (3) The Minister of Agriculture, Food and Rural Affairs shall appoint or commission the members of the Deliberative Council from among the following persons: <Amended by Act No. 11690, Mar. 23, 2013; Act No. 13032, Jan. 20, 2015>
1. Public officials belonging to the Senior Civil Service Corps, who are recommended by the heads of the relevant central administrative agencies;
 2. Persons recommended by the relevant institutions as prescribed by Presidential Decree, which are related to the development of overseas agricultural or forest resources;
 3. Persons who have much knowledge and experience in the development of overseas agricultural or forest resources.
- (4) The Vice Minister of Agriculture, Food and Rural Affairs shall be the Chairperson of the Deliberative Council. <Amended by Act No. 11690, Mar. 23, 2013>
- (5) A majority of the members shall be non-public official members; their term of office shall be two years and they may be appointed consecutively; the term of office of a member who fills a vacancy shall be the remaining term of office of his/her predecessor.
- (6) The Chairperson shall represent the Deliberative Council and preside over its business.
- (7) Other matters necessary for the organization and operation of the Deliberative Council shall be prescribed by Presidential Decree.

Article 7 (Reporting on Project Plans)

(1) A person who intends to develop overseas agricultural resources shall report the plan therefor to the Minister of Agriculture, Food and Rural Affairs, and a person who intends to develop overseas forest resources shall report the plan therefor to the Minister of the Korea Forest Service. The same shall also apply where he/she intends to modify important matters prescribed by Presidential Decree among the already reported matters. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 13032, Jan. 20, 2015>

(2) In reporting pursuant to paragraph (1), he/she may file the report, classifying it either as a survey project for the development of overseas agricultural or forest resources or as a development project therefor. <Amended by Act No. 13032, Jan. 20, 2015>

(3) Upon receipt of a report under paragraph (1), if deemed necessary, the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may request the relevant agencies prescribed by Presidential Decree to verify the details reported and other matters. <Amended by Act No. 13032, Jan. 20, 2015>

(4) Upon receipt of a report under paragraph (1), if deemed necessary, the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may request a person who has reported to supplement the relevant business plan. <Amended by Act No. 13032, Jan. 20, 2015>

(5) Matters necessary for the reporting procedures under paragraph (1), matters subject to a request for verification and detailed procedures, etc. therefor under paragraph (3), matters subject to a request for supplementation of a business plan under paragraph (4), and other relevant matters shall be prescribed by Presidential Decree. <Amended by Act No. 13032, Jan. 20, 2015>

Article 8 (Joint Reporting)

(1) More than two persons who intend to jointly report under Article 7 (hereinafter referred to as "joint reporters") on the development of the same overseas agricultural or forest resources shall appoint a representative and file the report with the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service. <Amended by Act No. 13032, Jan. 20, 2015>

(2) Joint reporters shall appoint one of the following persons as their representative: <Amended by Act No. 13032, Jan. 20, 2015>

1. One of the joint reporters;
2. A corporation incorporated by them in accordance with the Acts of the Republic of Korea to develop the relevant overseas agricultural or forest resources.

(3) A representative under paragraph (2) shall represent joint reporters to the Government.

Article 9 Deleted. <by Act No. 13032, Jan. 20, 2015>

Article 10 (Report on Current Status)

Where the operator of an overseas agricultural resources development project or the operator of an overseas forest resources development project develops overseas agricultural or forest resources, he/she shall report his/her activities, progress, etc. to the Minister of Agriculture, Food and Rural Affairs if he/she is the operator of an overseas agricultural resources development project or to the Minister of the Korea Forest Service if he/she is the operator of an overseas forest resources development project, as prescribed

by Presidential Decree. <Amended by Act No. 13032, Jan. 20, 2015>

Article 10-2 (Survey, etc. of Overseas Agricultural or Forest Resources)

(1) To promote development of overseas agricultural resources, the Minister of Agriculture, Food and Rural Affairs may perform the following matters:

1. Survey and evaluation of overseas agricultural resources;
2. Promotion of international cooperation for the exploitation of new overseas agricultural markets;
3. Collection and provision of overseas agricultural data;
4. Survey and analysis of overseas agricultural markets;
5. Other matters deemed necessary by the Minister of Agriculture, Food and Rural Affairs.

(2) To promote development of overseas forest resources, the Minister of the Korea Forest Service may perform the following matters:

1. Survey and evaluation of overseas agricultural resources;
2. Promotion of international cooperation for the exploitation of new overseas forest markets;
3. Collection and provision of overseas forest data;
4. Survey and analysis of overseas forest markets;
5. Other matters deemed necessary by the Minister of the Korea Forest Service.

Article 11 (Incorporation, etc. of Overseas Agricultural Resources Development Investment Companies, etc.)

(1) Any person may incorporate an overseas agricultural resources development investment company for investing his/her assets in the development, etc. of overseas agricultural resources by a method prescribed in Article 19 and distributing the profit therefrom to stockholders. <Amended by Act No. 13032, Jan. 20, 2015>

(2) Any person may incorporate an investment company specialized in development of agricultural resources for investing his/her assets in development, etc. of an overseas agricultural resources by a method prescribed in Article 21 and distributing the profits therefrom to partners. <Amended by Act No. 13032, Jan. 20, 2015>

(3) An overseas agricultural resources development investment company shall be deemed an investment company under the Financial Investment Services and Capital Markets Act, and an investment company specialized in development of overseas agricultural resources shall be deemed a privately placed fund participating in management under the same Act. <Amended by Act No. 13032, Jan. 20, 2015; Act No. 13448, Jul. 24, 2015>

(4) No overseas agricultural resources development investment company or investment company specialized in development of overseas agricultural resources under this Act shall use the name of any overseas agricultural resources development investment company or of any investment company specialized in development of overseas agricultural resources, or any other similar name. <Amended by Act No. 13032, Jan. 20, 2015>

Article 12 (Resources Subject to Funding)

Development of overseas agricultural resources funded by an overseas agricultural resources development investment company or investment company specialized in development of overseas agricultural resources (hereinafter referred to as "overseas agricultural resources development investment company, etc.") means the development of overseas agricultural resources prescribed by Presidential Decree. <Amended by Act No. 13032, Jan. 20, 2015>

Article 13 (Consultation about Registration of Overseas Agricultural Resources Development Investment Companies, etc.)

The Financial Services Commission shall consult, in advance, with the Minister of Agriculture, Food and Rural Affairs about the registration of an overseas agricultural resources development investment company, etc. under Article 182 or 249-10 of the Financial Investment Services and Capital Markets Act. <Amended by Act No. 13032, Jan. 20, 2015; Act No. 13448, Jul. 24, 2015>

Article 14 (Period of Existence)

(1) The period of existence of an overseas agricultural resources development investment company, etc. shall be prescribed by the articles of association of the relevant overseas agricultural resources development investment company, etc., not exceeding 20 years from the date it is registered as an overseas agricultural resources development investment company, etc. pursuant to Article 182 or 249-10 of the Financial Investment Services and Capital Markets Act: Provided, That where it is necessary for an overseas agricultural resources development investment company, etc. to extend its period of existence for continued development of overseas agricultural resources or for other reasons, it may extend the period of existence by up to 20 years counting from the expiry date of the original period of existence, with approval from the Financial Services Commission. <Amended by Act No. 13032, Jan. 20, 2015; Act No. 13448, Jul. 24, 2015>

(2) Where the Financial Services Commission approves the extension of a period of existence according to proviso to paragraph (1), it shall consult with the Minister of Agriculture, Food and Rural Affairs in advance. <Amended by Act No. 13032, Jan. 20, 2015>

Article 15 (Submission of Business Reports)

An overseas agricultural resources development investment company, etc. shall submit a business report on its assets to the Minister of Agriculture, Food and Rural Affairs and the Financial Services Commission, respectively, as prescribed by Presidential Decree. <Amended by Act No. 13032, Jan. 20, 2015>

Article 16 (Supervision, Inspection, etc. of Overseas Agricultural Resources Development Investment Companies, etc.)

(1) The Minister of Agriculture, Food and Rural Affairs and the Financial Services Commission may require the following to submit data or report on the business and assets of an overseas agricultural resources development investment company, etc.: <Amended by Act No. 13032, Jan. 20, 2015>

1. An overseas agricultural resources development investment company;

2. An asset management company, an asset-holding company, and a general administration company of an overseas agricultural resources development investment company;

3. An investment company specialized in development of overseas agricultural resources.

(2) If necessary, the Minister of Agriculture, Food and Rural Affairs may request the Financial Services Commission to inspect the business and assets of persons under the subparagraphs of paragraph (1) (in cases falling under paragraph (1) 2, limited to business and assets related to an overseas agricultural resources development investment company; hereafter in this paragraph the same shall apply). In such cases, where the Financial Services Commission deems it necessary for financial supervision, it may direct its staff or the Governor of the Financial Supervisory Service under Article 29 of the Act on the Establishment, etc. of Financial Services Commission to inspect the business and assets of persons referred to in the subparagraphs of paragraph (1). *<Amended by Act No. 13032, Jan. 20, 2015>*

(3) The Financial Services Commission that conducts an inspection pursuant to paragraph (2) shall inform the Minister of Agriculture, Food and Rural Affairs of the findings thereof without delay. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 17 (Special Cases, etc. concerning Collective Investment Business)

(1) A person who intends to obtain authorization for a collective investment business (hereinafter referred to as "specialized collective investment business operator") under the Financial Investment Services and Capital Markets Act to manage assets of overseas agricultural resources development investment companies only shall be required to have a capital of at least one billion won, notwithstanding Article 12 (2) 2 of the same Act. *<Amended by Act No. 13032, Jan. 20, 2015>*

(2) Deleted. *<by Act No. 13032, Jan. 20, 2015>*

(3) Notwithstanding Article 42 (4) of the Financial Investment Services and Capital Markets Act, a collective investment business operator established under the same Act (hereafter referred to as "general collective investment business operator" in this Article) may entrust a person specialized in development of overseas agricultural resources with some asset management business of an overseas agricultural resources development investment company concerning the development of overseas agricultural resources after entering into an entrustment contract with him/her within the extent that he/she does not have any conflict of interest with investors of an overseas agricultural resources development investment company, as prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

(4) Where a specialized collective investment business operator or general collective investment business operator manages assets of an overseas agricultural resources development investment company, it may receive remuneration or fees based on management performance, as prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 18 (Closed-End Fund)

An overseas agricultural resources development investment company shall be a closed-end fund prescribed in Article 230 (1) of the Financial Investment Services and Capital Markets Act. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 19 (Methods of Asset Management)

(1) An overseas agricultural resources development investment company shall use an amount equivalent to at least 50/100 [where a project to be funded is a project undergoing a feasibility study (hereinafter referred to as "project undergoing a feasibility study"), prior to the development or production phase, referring to 30/100] of its capital for the following purposes: *<Amended by Act No. 13032, Jan. 20, 2015>*

1. Investment in overseas agricultural resources to be funded by a method under Article 3;
2. Financing a company taking exclusive responsibility of developing overseas agricultural resources, which is a corporation aiming solely at funding and performing the development of overseas agricultural resources (hereinafter referred to as "company taking exclusive responsibility");
3. Acquisition of stocks, stakes, bonds, or beneficiary rights of a company taking exclusive responsibility;
4. Acquisition of loans on a company taking exclusive responsibility;
5. Investment in exchange-traded derivatives or over-the-counter derivatives based on resources to be funded for risk hedging up to the percent prescribed by Presidential Decree not exceeding 10/100 of its capital;
6. Investment in stocks and stakes for participating in the right of management of an overseas agricultural resources development company in a foreign country, in which the development, production, storage, processing, transportation, sale, etc. of overseas agricultural resources amount to at least 50/100 of its sales;
7. Other investments approved by the competent Minister as necessary for the development of overseas agricultural resources in consultation with the Financial Services Commission.

(2) Where assets are left over after being used for the purposes referred to in the subparagraphs of paragraph (1), an overseas agricultural resources development investment company shall manage such residual assets as follows: *<Amended by Act No. 13032, Jan. 20, 2015>*

1. Short-term loans made under Article 83 (4) of the Financial Investment Services and Capital Markets Act (hereinafter referred to as "short-term loan");
2. Deposit with a financial institution;
3. Purchase of national and public bonds;
4. Other methods prescribed by Presidential Decree.

(3) Other matters necessary for the management of assets of an overseas agricultural resources development investment company shall be prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 20 (Borrowing of Funds, etc.)

(1) In any of the following cases, an overseas agricultural resources development investment company may borrow funds, provide a security, and guarantee a debt in addition to obtaining a loan under Article 25 (1). In such cases, where the company borrows money, provides a security, and guarantees a debt in the case of subparagraph 1, it shall obtain approval therefor at a general meeting of stockholders: *<Amended by*

Act No. 13032, Jan. 20, 2015>

1. Where funds are insufficient to appropriate for operating expenses;
 2. Where funds are temporarily insufficient for the purposes referred to in the subparagraphs of Article 19 (1).
- (2) An overseas agricultural resources development investment company shall use a loan from the Government pursuant to Article 25 (1) for the purposes referred to in the subparagraphs of Article 19 (1).
<Amended by Act No. 13032, Jan. 20, 2015>

(3) The sum of loans obtained from the Government pursuant to Article 25 (1) and the amount of money borrowed, the amount of security provided, and the amount of debts guaranteed under paragraph (1) shall not exceed the amount determined in accordance with the percentage prescribed by Presidential Decree not exceeding 30/100 of the capital of an overseas agricultural resources development investment company. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 21 (Methods of Asset Management)

(1) An investment company specialized in development of overseas agricultural resources shall use an amount equivalent to at least 50/100 of the total amount of investment (where a project to be funded is a project undergoing a feasibility study, referring to 30/100 of the total amount of investment) for the purposes referred to in the subparagraphs of Article 19 (1). *<Amended by Act No. 13032, Jan. 20, 2015>*

(2) An investment company specialized in development of overseas agricultural resources shall use an amount at least equivalent to the percentage prescribed by Presidential Decree for the purposes prescribed in the subparagraphs of Article 19 (1) within the period prescribed by Presidential Decree not exceeding six months from the date its partners make investments. *<Amended by Act No. 13032, Jan. 20, 2015>*

(3) Where assets are left over after being used for the purposes referred to in the subparagraphs of Article 19 (1), an investment company specialized in development of overseas agricultural resources shall manage such residual assets as follows: *<Amended by Act No. 13032, Jan. 20, 2015>*

1. Short-term loans;
2. Deposit with a financial institution;
3. Investment in investment securities within the percentage prescribed by Presidential Decree not exceeding 5/100 of the total amount of investment;
4. Investment in stocks of an overseas agricultural resources development investment company within the percentage prescribed by Presidential Decree not exceeding 5/100 of the total amount of investment;
5. Other methods prescribed by Presidential Decree.

Article 22 (Borrowing of Funds, etc.)

(1) In any of the following cases, an investment company specialized in development of overseas agricultural resources may borrow funds, provide a security, and guarantee a debt in addition to obtaining a loan under Article 25 (1): *<Amended by Act No. 13032, Jan. 20, 2015>*

1. Where it is inevitable for refund of investments to a partner who retires from the company;

2. Where funds are insufficient to appropriate for operating expenses;
3. Where funds are temporarily insufficient for the purposes referred to in the subparagraphs of Article 19 (1).

(2) An investment company specialized in development of overseas agricultural resources shall ensure that the sum of loans obtained from the Government pursuant to Article 25 (1) and the amount of money borrowed, the amount of security provided, and the amount of debts guaranteed under paragraph (1) does not exceed the amount determined in accordance with the percentage prescribed by Presidential Decree not exceeding 30/100 of the total amount of investment of an investment company specialized in development of overseas agricultural resources. <Amended by Act No. 13032, Jan. 20, 2015>

Article 22-2 (Establishment, etc. of Overseas Forest Resources Development Investment Companies, etc.)

(1) An overseas forest resources development investment company may be established for the purpose of investing its assets in the development, etc. of overseas forest resources by the methods prescribed in Article 19 and paying dividends to its shareholders.

(2) An investment company specialized in development of overseas forest resources may be established for the purposes of investing its assets in the development, etc. of overseas forest resources by the method prescribed in Article 21 and paying dividends to its partners.

(3) Development of overseas forest resources funded by an overseas forest resources development investment company or investment company specialized in development of overseas forest resources means the development of overseas forest resources prescribed by Presidential Decree.

Article 22-3 (Provisions to be Applied Mutatis Mutandis)

@Articles 11 (3) and (4) and 13 through 22 shall apply mutatis mutandis to overseas forest resources development investment companies or investment companies specialized in development of overseas forest resources. In such cases, the "Minister of Agriculture, Food and Rural Affairs" shall be construed as the "Minister of the Korea Forest Service", "development of overseas agricultural resources" as "development of overseas forest resources", and "overseas agricultural resources" as "overseas forest resources".

Article 23 (Subsidization, etc.)

(1) If necessary for promoting the development of overseas agricultural or forest resources, the Government may subsidize any of the following expenses, as prescribed by Presidential Decree: <Amended by Act No. 13032, Jan. 20, 2015>

1. Expenses incurred in conducting surveys for the development of overseas agricultural or forest resources;
2. Expenses incurred in technology development and training for specialized human resources for the development of overseas agricultural or forest resources;
3. Expenses incurred in engaging international cooperation and technology exchange with foreign countries pertaining to the development of overseas agricultural or forest resources;

4. Other expenses prescribed by Presidential Decree, which is incurred in facilitating the development of overseas agricultural or forest resources.

(2) Where the Government deems it necessary for efficiently promoting the development of overseas agricultural or forest resource, it may have an institution prescribed by Presidential Decree engage in collecting, analyzing, and providing information on the development of overseas agricultural or forest resources, and subsidize expenses incurred therein. <Amended by Act No. 13032, Jan. 20, 2015>

(3) Where necessary to efficiently carry forward the affairs related to the assistance in the development of overseas agricultural or forest resources, international agricultural cooperation projects or international forest cooperation projects (limited to projects of the Ministry of Agriculture, Food and Rural Affairs or the Korea Forest Service, agencies affiliated therewith and public institutions under its jurisdiction), the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may establish an overseas cooperation center, as prescribed by Presidential Decree. <Newly Inserted by Act No. 13032, Jan. 20, 2015>

Article 24 (Support)

Where the operator of an overseas agricultural resources development project or the operator of an overseas forest resources development project incorporates a separate company to develop overseas agricultural or forest resources, the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may support him/her in the establishment and operation thereof, as prescribed by Presidential Decree. <Amended by Act No. 13032, Jan. 20, 2015>

Article 25 (Financing)

(1) The Government may provide loans for any of the following funds to the operators of overseas agricultural resources development projects, overseas agricultural resources development investment companies and investment companies specialized in development of overseas agricultural resources under Article 11, and overseas forest resources development investment companies and investment companies specialized in development of overseas forest resources under Article 22-2 to facilitate promoting the development of overseas agricultural or forest resources: <Amended by Act No. 13032, Jan. 20, 2015>

1. Funds necessary for acquiring a business permit necessary to develop overseas agricultural or forest resources and for agricultural or afforestation projects;
2. Funds for installing and operating facilities necessary to develop overseas agricultural or forest resources;
3. Funds for leasing or purchasing land necessary to develop overseas agricultural or forest development;
4. Other funds prescribed by Presidential Decree, which are necessary to facilitate developing overseas agricultural or forest resources.

(2) Matters necessary for financing under paragraph (1) shall be prescribed by Presidential Decree.

(3) Where it is impossible for the operator of an overseas agricultural resources development project or the operator of an overseas forest resources development project financed under paragraph (1) 1 to repay a

loan following a failure of the said project, he/she may be fully or partially exempted from the principal and interest thereof by the Government, as prescribed by Presidential Decree. <Amended by Act No. 13032, Jan. 20, 2015>

Article 26 (Special Cases concerning Taxes)

To facilitate the development of overseas agricultural or forest resources, the State may reduce and exempt income tax, corporate tax, etc., as prescribed by the Restriction of Special Taxation Act and other related Acts. <Amended by Act No. 13032, Jan. 20, 2015>

Article 27 (Establishment and Operation of Integrated Information System)

(1) The Minister of Agriculture, Food and Rural Affairs may establish and operate an integrated information system on the development of overseas agricultural resources, and the Minister of the Korea Forest Service may establish and operate an integrated information system on the development of overseas forest resources, respectively, for the comprehensive and systematic promotion of the development of overseas agricultural resources and the provision, etc. of information on the development of overseas agricultural or forest resources.

(2) Matters necessary for establishing and operating the integrated information system under paragraph (1) shall be prescribed by Presidential Decree.

Article 28 (Fostering and Management of Human Resources)

(1) For the fosterage and management of human resources experienced in the development of overseas agricultural or forest resources, the Minister of Agriculture, Food and Rural Affairs may formulate and implement policies on fostering, management, etc. of human resources for the development of overseas agricultural resources, and the Minister of the Korea Forest Service may formulate and implement policies on the fosterage, management, etc. of human resources for the development of overseas forest resources.

(2) The policies formulated by the Minister of Agriculture, Food and Rural Affairs under paragraph (1) shall include the following matters:

1. Matters concerning the supply and demand and utilization of human resources for the development of overseas agricultural resources;
2. Matters concerning fostering and education and training of human resources for the development of overseas agricultural resources;
3. Other matters prescribed by Presidential Decree and necessary for fostering and managing human resources for the development of overseas agricultural resources.

(3) The policies formulated by the Minister of the Korea Forest Service under paragraph (1) shall include the following matters:

1. Matters concerning the supply and demand and utilization of human resources for the development of overseas forest resources;
2. Matters concerning the fosterage and education and training of human resources for the development of overseas forest resources;

3. Other matters prescribed by Presidential Decree and necessary for fostering and managing human resources for the development of overseas forest resources.
- (4) Matters necessary for the fosterage, management, etc. of human resources for the development of overseas agricultural or forest resources under paragraphs (1) through (3) shall be prescribed by Presidential Decree.

Article 29 (Association)

(1) Operators of overseas agricultural resources development projects may establish an Overseas Agricultural Resources Development Association with approval from the Minister of Agriculture, Food and Rural Affairs, as prescribed by Presidential Decree, to protect their rights and interests and to ensure the sound growth and efficient performance of the development of overseas agricultural resources. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 13032, Jan. 20, 2015>*

(2) Operators of overseas forest resources development projects may establish an Overseas Forest Resources Development Association with approval from the Minister of the Korea Forest Service, as prescribed by Presidential Decree, to protect their rights and interests and to ensure the sound growth and efficient performance of the development of overseas forest resources. *<Newly Inserted by Act No. 13032, Jan. 20, 2015>*

(3) The Overseas Agricultural Resources Development Association or the Overseas Forest Resources Development Association (hereinafter referred to as the "Association") shall conduct the following business affairs: *<Amended by Act No. 13032, Jan. 20, 2015>*

1. Collection and analysis of data and information on the development of overseas agricultural or forest resources;
 2. Promotion of international non-governmental cooperation for promoting the development of overseas agricultural or forest resources;
 3. Research on systems related to the development of overseas agricultural or forest resources and the recommendations for the improvement thereof;
 4. Education and training of and welfare service for those related to the development of overseas agricultural or forest resources;
 5. Public relations of and the issuance of publications on the development of overseas agricultural or forest resources;
 6. Business affairs entrusted by the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service;
 7. Other matters prescribed by the articles of association.
- (4) The Association shall be a corporation. *<Amended by Act No. 13032, Jan. 20, 2015>*
- (5) The Association shall be duly formed upon completion of registration for its incorporation at the seat of its main office after obtaining approval for incorporation under paragraph (1) or (2). *<Amended by Act No. 13032, Jan. 20, 2015>*

(6) Operators of overseas agricultural resources development projects may join the Overseas Agricultural Resources Development Association, and the operators of overseas forest resources development projects may join the Overseas Forest Resources Development Association. *<Amended by Act No. 13032, Jan. 20, 2015>*

(7) Matters necessary for the incorporation, operation, supervision, etc. of the Association shall be prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

(8) Except as otherwise expressly prescribed by this Act, the provisions concerning incorporated associations in the Civil Act shall apply mutatis mutandis to the Association. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 30 (Promotion of and Support for International Agricultural Cooperation Projects)

(1) The Minister of Agriculture, Food and Rural Affairs shall formulate and implement policies for promoting international agricultural cooperation projects to establish an agricultural cooperation system with foreign countries. *<Amended by Act No. 13032, Jan. 20, 2015>*

(2) The Minister of Agriculture, Food and Rural Affairs may fully or partially subsidize expenses required for the following international agricultural cooperation projects, as prescribed by Presidential Decree: *<Amended by Act No. 13032, Jan. 20, 2015>*

1. Negotiations and conclusion of agreements with foreign governments for international agricultural cooperation projects;
2. Projects for the development of agriculture and rural communities in foreign countries;
3. International exchange of information, technology, facilities and human resources related to international agricultural cooperation projects;
4. Development of policies concerning the promotion of international agricultural cooperation projects;
- 4-2. Exploration and implementation of projects to cope with international agreements related to the agricultural sector;
5. Other matters deemed necessary for international agricultural cooperation projects.

(3) The Minister of Agriculture, Food and Rural Affairs may provide administrative and financial support necessary for promoting international agricultural cooperation projects to an institution or organization related to international agriculture, as prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 31 (Promotion of and Support for International Forest Cooperation Projects)

(1) The Minister of the Korea Forest Service shall formulate and implement policies for promoting international forest cooperation projects to establish an agricultural cooperation system with foreign countries.

(2) The Minister of the Korea Forest Service may fully or partially subsidize expenses required for the following international agricultural cooperation projects, as prescribed by Presidential Decree:

1. Negotiations and conclusion of agreements with foreign governments for international forest cooperation projects;

2. Projects for the development of forestry and mountain communities in foreign countries;
3. International exchange of information, technology, facilities, and human resources related to international forest cooperation projects;
4. Development of policies concerning the promotion of international forest cooperation projects;
5. Exploration and implementation of projects to cope with international agreements related to the forest sector;
6. Other matters deemed necessary for international forest cooperation projects.

(3) The Minister of the Korea Forest Service may provide administrative and financial support necessary for promoting international forest cooperation projects to an institution or organization related to international forest, as prescribed by Presidential Decree.

Article 32 (Competition for Development of Overseas Agricultural or Forest Resources)

Where more than two persons compete to develop the same overseas agricultural or forest resources, the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may request those who are in competition to implement matters necessary for preventing duplicative investments in the development of overseas agricultural or forest resources. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 33 (Orders to Ship into the Republic of Korea Overseas Agricultural or Forest Resources in Emergency)

(1) Where a serious setback that affects or is likely to affect the supply and demand of domestic and overseas agricultural products and livestock products harms or is likely to harm the stability and smooth management of the national economy, the Minister of Agriculture, Food and Rural Affairs may order the operator of an overseas agricultural resources development project to ship all or some of overseas agricultural resources he/she has developed into the Republic of Korea on appropriate and reasonable conditions to stabilize the supply and demand of such agricultural products and livestock products. *<Amended by Act No. 13032, Jan. 20, 2015>*

(2) Where a serious setback that affects or is likely to affect the supply and demand of domestic and overseas forest products harms or is likely to harm the stability and smooth management of the national economy, the Minister of the Korea Forest Service may order the operator of an overseas forest resources development project to bring all or some of overseas forest resources he/she has developed into the Republic of Korea on appropriate and reasonable conditions to stabilize the supply and demand of such forest products. *<Newly Inserted by Act No. 13032, Jan. 20, 2015>*

(3) Upon receipt of an order to ship overseas agricultural or forest resources into the Republic of Korea under paragraph (1) or (2), the operator of an overseas agricultural resources development project or the operator of an overseas forest resources development project shall bring overseas agricultural or forest resources into the Republic of Korea in compliance with such order unless there is good cause not to do so. *<Amended by Act No. 13032, Jan. 20, 2015>*

(4) Where the operator of an overseas agricultural resources development project or the operator of an overseas forest resources development project who fails to perform a duty to bring overseas agricultural or

forest resources into the Republic of Korea under paragraph (2) without good cause has borrowed funds under Article 25 to perform the relevant project, the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service shall collect the principal and interest unrepaid without delay.

<Amended by Act No. 13032, Jan. 20, 2015>

(5) Matters necessary for procedures for issuing orders to bring overseas agricultural or forest resources into the Republic of Korea and procedures for collecting the principal and interest unrepaid shall be prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 33-2 (Cooperation of Relevant Agencies)

If necessary to perform the following matters, the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may request the heads of relevant central administrative agencies or local governments to submit related data or to provide cooperation. In such cases, the heads of the relevant central administrative agencies or local governments in receipt of such request to submit data or cooperate shall comply therewith unless there is a compelling reason not to do so:

1. Formulation of a comprehensive plan for development of overseas agricultural or forest resources under Article 5 or 5-2;
2. Survey, etc. of overseas agricultural or forest resources under Article 10-2;
3. Establishment and operation of an integrated information system under Article 27;
4. Fostering and management of human resources for development of overseas agricultural or forest resources under Article 28.

Article 34 (Reporting and Inspections)

(1) Where deemed necessary, the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may order the operator of an overseas agricultural resources development project or the operator of an overseas forest development project to report or submit data on his/her business.

<Amended by Act No. 13032, Jan. 20, 2015>

(2) The Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may direct a public official under his/her jurisdiction to examine or inspect books, documents, goods, other matters necessary for managing business at the office of the operator of an overseas agricultural resources development project or at the office of the operator of an overseas forest resources development project.

<Amended by Act No. 13032, Jan. 20, 2015>

(3) A public official who conducts an examination or inspection pursuant to paragraph (2) shall carry an identification card showing his/her authority and produce it to interested persons.

Article 35 (Delegation and Entrustment of Authority, etc.)

(1) The Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may delegate part of his/her authority under this Act to the head of an agency under his/her jurisdiction, as prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

(2) The Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service may entrust part of his/her affairs under this Act to the head of a public institution, the Association, other

institution or organization related to the development of overseas agricultural or forest resources or international agricultural cooperation projects or international forest cooperation projects, as prescribed by Presidential Decree. *<Amended by Act No. 13032, Jan. 20, 2015>*

Article 35-2 (Legal Fiction as Public Official in Application of Penalty Provisions)

An executive officer and an employee of a relevant institution or organization engaged in business affairs entrusted by the Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service under Article 35 (2) shall be deemed a public official for the purposes of Articles 129 through 132 of the Criminal Act with respect to the entrusted business affairs.

Article 36 (Penalty Provisions)

(1) Any of the following persons shall be punished by imprisonment with labor for not more than five years or by a fine not exceeding 50 million won: *<Amended by Act No. 13032, Jan. 20, 2015>*

1. A person who managed assets in violation of Article 19 (1) (including the cases to which this applies mutatis mutandis in Article 22-3);
- 1-2. A person who managed assets in violation of Article 19 (2) (including the cases to which this applies mutatis mutandis in Article 22-3);
2. A person who managed assets in violation of Article 21 (including the cases to which this applies mutatis mutandis in Article 22-3).

(2) Any of the following persons shall be punished by imprisonment with labor for not more than two years or by a fine not exceeding 20 million won: *<Amended by Act No. 13032, Jan. 20, 2015>*

1. A person who developed overseas agricultural or forest resources without reporting or reporting on modifications under Article 7;
2. A person who performed a project beyond its objectives after filing a report or report on modifications under Article 7;
3. A person who filed a false report or a false report on modifications under Article 7;
4. A person who fails to ship overseas agricultural or forest resources concerned into the Republic of Korea without good cause despite having been ordered to ship the same into the Republic of Korea under Article 33.

(3) Any of the following persons shall be punished by imprisonment with labor for not more than one year or by a fine not exceeding 10 million won: *<Amended by Act No. 13032, Jan. 20, 2015>*

1. A person who used the name of an overseas agricultural resources development investment company, etc. in violation of Article 11 (4) (including the cases to which this applies mutatis mutandis in Article 22-3);
2. A person who fails to submit a business report or submit a false business report in violation of Article 15 (including the cases to which this applies mutatis mutandis in Article 22-3).

Article 37 (Joint Penalty Provisions)

If the representative of a corporation or an agent, employee, or other servant of a corporation or an individual commits an offence under the subparagraphs of Article 36 (2) in connection with the business

affairs of the corporation or the individual, not only shall such offender be punished, but the corporation or the individual also shall be punished by a fine under the relevant provisions: Provided, That this shall not apply where such corporation or individual has not been negligent in giving due attention and supervision concerning the relevant business affairs to prevent such offence.

Article 38 (Administrative Fines)

(1) Any of the following persons shall be punished by an administrative fine not exceeding three million won:

1. A person who fails to file a report under Article 34 (1) or file a false report;
2. A person who fails to submit data under Article 34 (1) or submits false data;
3. A person who has refused, interfered with, or evaded an examination or inspection under Article 34 (2).

(2) The Minister of Agriculture, Food and Rural Affairs or the Minister of the Korea Forest Service shall impose and collect administrative fines under paragraph (1), as prescribed by Presidential Decree.

<Amended by Act No. 13032, Jan. 20, 2015>

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Article 2 (General Transitional Measures)

A disposition issued, procedures taken, and other acts done under the former Overseas Resources Development Business Act as at the time this Act enters into force shall be deemed issued, taken or done under this Act, if provisions corresponding thereto exist in this Act

Article 3 (Transitional Measures concerning Reporting, etc.)

The former provisions shall apply to matters for which acts, such as filing a report, etc., were done under the former Overseas Resources Development Business Act before this Act enters into force, and the procedures for which are in progress as at the time this Act enters into force.

Article 4 Omitted.

ADDENDA *<Act No. 11690, Mar. 23, 2013>*

Article 1 (Enforcement Date)

- (1) This Act shall enter into force on the date of its promulgation.
- (2) Omitted.

Articles 2 through 7 Omitted.

ADDENDA *<Act No. 11965, Jul. 30, 2013>*

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 4 Omitted.

ADDENDA <Act No. 13032, Jan. 20, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 (Transitional Measures concerning Reporting on Overseas Agricultural Development Projects)

(1) A person who has filed a report on an overseas agricultural development project with the Minister of Agriculture, Food and Rural Affairs under the former Article 7 as at the time this Act enters into force shall be deemed to have filed a report on an overseas agricultural resources development project under the amended provisions of Article 7.

(2) A person who has filed a report on an overseas agricultural development project with the Minister of the Korea Forest Service under the former Article 7 as at the time this Act enters into force shall be deemed to have filed a report on an overseas forest resources development project under the amended provisions of Article 7.

Article 3 (Transitional Measures concerning Overseas Agricultural Development Investment Companies and Investment Companies Specialized in Development of Overseas Agriculture)

An overseas agricultural development investment company or an investment company specialized in development of overseas agriculture established under the former Article 11 as at the time this Act enters into force shall be deemed an overseas agricultural resources development investment company or investment company specialized in development of overseas agricultural resources under the amended provisions of Article 11.

Article 4 (Transitional Measures concerning the Overseas Agricultural Development Association)

The Overseas Agricultural Development Association established under the former Article 29 at the time this Act enters into force shall be deemed the Overseas Agricultural Resources Development Association under the amended provisions of Article 29 of this Act.

Article 5 Omitted.

Article 6 (Relationship with other Statutes)

Where any other statute cites the former provisions of the Overseas Agricultural Development and Cooperation Act at the time this Act enters into force, it shall be deemed to have cited this Act or the relevant provisions of this Act in lieu of the former Overseas Agricultural Development and Cooperation Act or the provisions thereof, if provisions corresponding thereto exist in this Act.

ADDENDA <Act No. 13448, Jul. 24, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation. (Proviso Omitted.)
Articles 2 through 20 Omitted.

ADDENDUM <Act No. 14656, Mar. 21, 2017>

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

