

## Key Regulatory Obligations

As someone in the Korea office, you should know that:

- The **Korea Financial Intelligence Unit** (“KoFIU”) is Korea’s financial intelligence agency with responsibility for AML and counter-terrorism financing, and **Financial Supervisory Services** (“FSS”) is authorized by KoFIU to carry out AML inspections on financial institutions in Korea.
- Anti-money laundering (“AML”) legislations in Korea include:
  - The Financial Transaction Reports Act (“FTRA”)
  - The Proceeds of Crime Act (“POCA”)
  - The Prohibition of Financing for Offences of Public Intimidation Act (“PFOPIA”)

## Protocols

Here are the protocols that must be followed. GS Korea has the obligation to:

- Implement an effective AML program and appoint a Money Laundering Reporting Officer (“MLRO”)
- Investigate suspicious activity and file suspicious trade reports without delay (i.e., within three business days after a decision is made to file a STR)
- Report cash transactions in excess of KRW 10 million within thirty (30) days
- Establish effective Client Identification Program and “Know Your Employee” Program to perform ongoing monitoring of client transactions and detect abnormal or suspicious activities
- Conduct a financial crime risk assessment to identify, analyze, and evaluate potential AML/CFT risks and perform independent testing of the AML program on an annual basis
- Fulfill all recordkeeping requirements under Korea AML laws
- Conduct AML trainings to its employee

## Consequences

Breaches of Korean AML laws and regulations may result into **criminal and/or administrative penalties**, and the firm can be subject to **vicarious criminal liability** e.g.,

- Violations or failure to comply with financial institution obligation under the FTRA shall be subject to administrative fine of up to KRW 100 million (per individual case).
- False STR/CTR filing or leaking of STR/CTR could result in up to one year imprisonment and a fine of up to KRW 10 million for the offender under the FTRA.
- Violations of the POCA may result in up to five years’ imprisonment and a fine of up to KRW 30 million for the offender.
- Violations of the PFOPIA may result in up to ten years’ imprisonment and a fine of up to KRW 100 million for the offender and the firm can be subject to vicarious criminal liability.
- Employees involved in money laundering may be subject to individual disciplinary action/sanction measures.

## The Bottom Line

**You must immediately escalate any suspicious activity by clients, counterparties or employees to your Financial Crime Compliance contact or business-aligned Compliance contact.**

## Contacts

For any questions or concerns please reach out to [gs-fcc-apac-escalations](#) or to your respective [Money Laundering Regional Officer \(MLRO\)](#).

## Additional Information

In addition to the material in this training, the Anti-Bribery Group or your regional compliance officers may inform you of particular local laws, rules and regulations that may impose specific anti-bribery / anti-corruption legal or compliance requirements in Korea. If applicable, please become familiar with those requirements.