

## **ACRC Korea Transparency Newsletter (Jan. 2022)**

- ▷ **Korea ranks 32nd in the 2021 Corruption Perception Index(CPI) released by Transparency International(TI) with an all-time high score of 62 points**
  - Since the launch of the current administration, Korea showed the most improvement in score (8 points) and rank (19 notches) among OECD countries in the last 5 year
  
- ▷ **In Index of Public Integrity(IPI) evaluation, Korea ranked 18th in the world and the 1st in Asia, the highest ever**
  - Ranked high in data-based objective corruption control measurement
  
- ▷ **"For the better good of the people" ACRC makes 2022 the first year to leap forward with its digital platform for the people's rights and interests**
  - Prevention of the infringement of the people's rights and improvement of policies by enacting the "e-People Act" and connecting, integrating, and analyzing big data in the public and private sectors
  
- ▷ **ACRC cranks down on corruption and acts detrimental to the public interest by strengthening functions by stages of 'corruption & public interest report → protection & reward → confiscation & punishment'**
  - ACRC released the 2022 plan for corruption & public interest report and protection & reward

▷ **ACRC publicized the result of the 2021 Anti-corruption Initiative Assessment(AIA)**

- The institutions receiving increased AIA grades due to active anti-corruption efforts showed improved integrity levels
- The significance and influence of the anti-corruption efforts of public institutions will rise because of the newly introduced “Comprehensive Integrity Assessment” this year

▷ **Anti-Corruption Training Institute of ACRC "strengthens customized integrity education for elected and high-ranking officials"**

- The ACRC creates an 「Integrity & Ethics Management Training Course」 for public corporations and quasi-government organizations and expands integrity education programs for the next generation to be provided by visiting elementary and middle schools

▷ **ACRC held meetings for auditors of public institutions**

- Key anti-corruption policies and tasks for 2022 were delivered to public institutions

▷ **ACRC actively communicates with AMCHAM Korea to enhance national integrity level**

- On January 14(Fri), ACRC explained Conflict of Interest Prevention Act to AMCHAM executives and foreign businesses in Korea

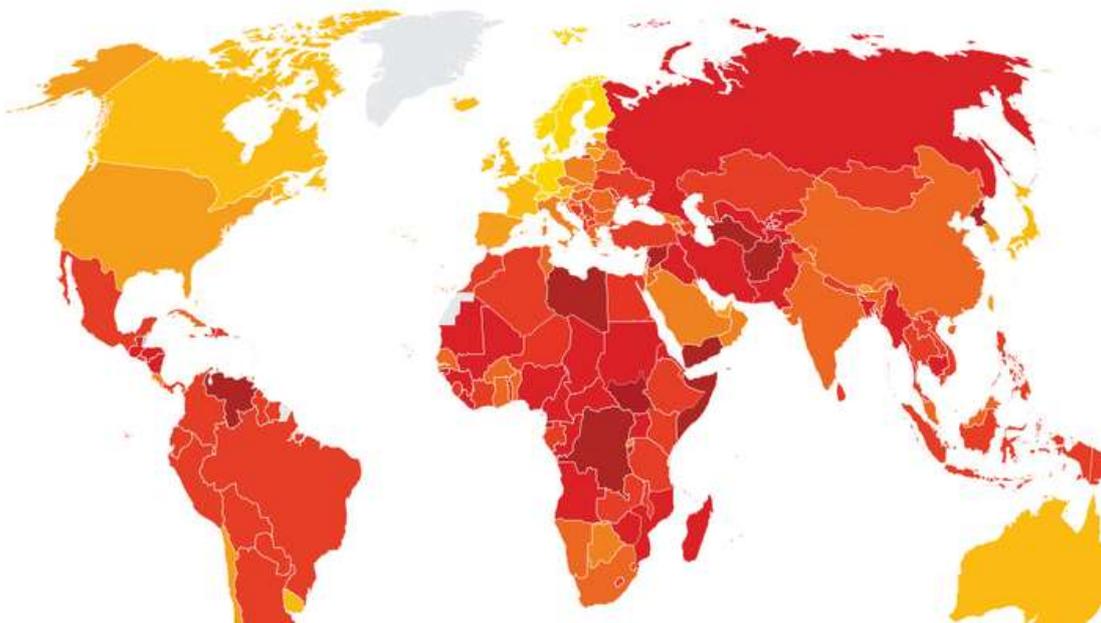
▷ **ACRC, protector of citizens, resolves difficulties of foreign companies operating in Korea**

- ACRC visited ECCK to listen difficulties of foreign companies and discuss a reasonable institutional improvement issues

**Korea ranks 32nd in the 2021 Corruption Perception Index(CPI) released by Transparency International(TI) with an all-time high score of 62 points**

*- Since the launch of the current administration, Korea showed the most improvement in score (8 points) and rank (19 notches) among OECD countries in the last 5 years -*

**CORRUPTION PERCEPTIONS INDEX 2021**



Results of 2021 CPI (Transparency International)

(25th Jan. 2021, ACRC)

In the 2021 Corruption Perception Index (CPI) released by Transparency International (TI) on January 25, Korea once again received a record high score of 62 points out of 100 and was ranked 32nd among 180 countries.

Korea's CPI score and ranking increased by 1 point and 1 notch from the previous year. Its ranking rose by 19 notches from 51<sup>st</sup> in 2017, maintaining its constant increase trend for five consecutive years.

\* 51<sup>st</sup> (54 points) in 2017, 45<sup>th</sup> (57 points) in 2018, 39<sup>th</sup> (59 points) in 2019, 33<sup>rd</sup> (61 points) in 2020

The CPI is a representative international index that reveals national corruption levels in the public and political sectors evaluated by TI every year since 1995.

Regarding this year's result, the Anti-Corruption and Civil Rights Commission (ACRC) assessed that the efforts of the government and the people to settle and spread the anti-corruption and integrity culture based on transparency and openness have made a positive impact, despite difficult conditions in the last year such as the real-estate speculation scandals by public officials and COVID-19 responses.

Specifically, the ACRC attributed such result to the following: prompt reforms of the behavioral standards of the public sector, such as the enactment of the Act on the Prevention of Conflict of Interest Related to Duties of Public Servants; government-wide efforts to eradicate cheating and privileges in the overall society, such as the complete inspection on real estate owned by national assembly men; and cooperation of the people and the government to overcome the situation of COVID-19.

In the meantime, Korea was ranked 18<sup>th</sup> out of 114 countries and 1<sup>st</sup> among Asian countries in the 2021 Index of Public Integrity (IPI), recently released by the European Research Centre for Anti-Corruption and State-Building (ERCAS).

Also, Korea recorded its all-time high ranking of 21st out of 194 countries in the Bribery Risk Matrix (BRM) released by TRACE of the United States, categorized as a “low” bribery risk country.

Such data-based corruption control evaluations as IPI and BRM are complementary to CPI, which is based on the perception of professionals and businessmen.

ACRC Chairperson Jeon Hyun-Heui said, “Korea has recorded its all-time high score on this CPI and made a remarkable improvement, ranking in the early 30s.”

She added, “This can be attributed to the current government’s anti-corruption reforms and the efforts of the people. Given Korea’s global standing in the political, economic, and cultural sectors, however, I think that there still remains room for improvement.”

She continued that “Not being complacent with this result, with the goal of making it into the top 30 as an integrity advanced nation, the ACRC will play its role as the anti-corruption governing body of the government, to spread the culture of integrity and fairness across the whole society in cooperation with the public.”

**Reference**
**2021 Corruption Perception Index(CPI) Results**

OECD 38 countries

순위	국 가 명	CPI 점수	순위	국 가 명	CPI 점수
1	Denmark	88	49	Czechia	54
1	Finland	88	49	Malta	54
1	New Zealand	88	49	Mauritius	54
4	Norway	85	52	Grenada	53
4	Singapore	85	52	Cyprus	53
4	Sweden	85	52	Rwanda	53
7	Switzerland	84	52	Saudi Arabia	53
8	Netherlands	82	56	Oman	52
9	Luxembourg	81	56	Slovakia	52
10	Germany	80	58	Armenia	49
11	United Kingdom	78	58	Greece	49
12	Hong Kong	76	58	Jordan	49
13	Canada	74	58	Namibia	49
13	Iceland	74	62	Malaysia	48
13	Ireland	74	63	Croatia	47
13	Estonia	74	64	Cuba	46
13	Austria	74	64	Montenegro	46
18	Australia	73	66	China	45
18	Belgium	73	66	Romania	45
18	Japan	73	66	Sao Tome and Principe	45
18	Uruguay	73	66	Vanuatu	45
22	France	71	70	Jamaica	44
23	Seychelles	70	70	South Africa	44
24	United Arab Emirates	69	70	Tunisia	44
25	Bhutan	68	73	Ghana	43
25	Taiwan	68	73	Hungary	43
27	Chile	67	73	Kuwait	43
27	United States of America	67	73	Senegal	43
29	Barbados	65	73	Solomon Islands	43
30	Bahamas	64	78	Bahrain	42
31	Qatar	63	78	Benin	42
32	Korea, South	62	78	Burkina Faso	42
32	Portugal	62	78	Bulgaria	42
34	Lithuania	61	82	Timor-Leste	41
34	Spain	61	82	Belarus	41
36	Israel	59	82	Trinidad and Tobago	41
36	Latvia	59	85	India	40
36	Saint Vincent and the Grenadines	59	85	Maldives	40
39	Cabo Verde	58	87	Kosovo	39
39	Costa Rica	58	87	Colombia	39
41	Slovenia	57	87	Ethiopia	39
42	Italy	56	87	Guyana	39
42	Poland	56	87	Morocco	39

42	Saint Lucia	56	87	North Macedonia	39
45	Botswana	55	87	Suriname	39
45	Dominica	55	87	Tanzania	39
45	Fiji	55	87	Vietnam	39
45	Georgia	55	96	Argentina	38
96	Brazil	38	136	Russia	29
96	Indonesia	38	140	Mauritania	28
96	Lesotho	38	140	Myanmar	28
96	Serbia	38	140	Pakistan	28
96	Turkey	38	140	Uzbekistan	28
102	Gambia	37	144	Cameroon	27
102	Kazakhstan	37	144	Kyrgyzstan	27
102	Sri Lanka	37	144	Uganda	27
105	Cote d'Ivoire	36	147	Bangladesh	26
105	Ecuador	36	147	Madagascar	26
105	Moldova	36	147	Mozambique	26
105	Panama	36	150	Guatemala	25
105	Peru	36	150	Guinea	25
110	Albania	35	150	Iran	25
110	Bosnia and Herzegovina	35	150	Tajikistan	25
110	Malawi	35	154	Lebanon	24
110	Mongolia	35	154	Nigeria	24
110	Thailand	35	154	Central African Republic	24
115	El Salvador	34	157	Cambodia	23
115	Sierra Leone	34	157	Honduras	23
117	Egypt	33	157	Iraq	23
117	Nepal	33	157	Zimbabwe	23
117	Philippines	33	161	Eritrea	22
117	Zambia	33	162	Congo	21
117	Algeria	33	162	Guinea Bissau	21
122	Eswatini	32	164	Chad	20
122	Ukraine	32	164	Comoros	20
124	Gabon	31	164	Haiti	20
124	Mexico	31	164	Nicaragua	20
124	Niger	31	164	Sudan	20
124	Papua New Guinea	31	169	Burundi	19
128	Azerbaijan	30	169	Democratic Republic of the Congo	19
128	Bolivia	30	169	Turkmenistan	19
128	Djibouti	30	172	Equatorial Guinea	17
128	Dominican Republic	30	172	Libya	17
128	Laos	30	174	Afghanistan	16
128	Paraguay	30	174	Korea, North	16
128	Togo	30	174	Yemen	16
128	Kenya	30	177	Venezuela	14
136	Angola	29	178	Somalia	13
136	Liberia	29	178	Syria	13
136	Mali	29	180	South Sudan	11

## ※ Changes in CPI of OECD countries (for last 5 years)

Countries	2021		2017		for 5 years	
	Rank	Score	Rank	Score	Rank	Score
Denmark	1	88	2	88	↑1	-
Finland	1	88	3	85	↑2	↑3
New Zealand	1	88	1	89	-	↓1
Norway	4	85	3	85	↓1	-
Sweden	4	85	6	84	↑2	↑1
Switzerland	7	84	3	85	↓4	↓1
Netherlands	8	82	8	82	-	-
Luxembourg	9	81	8	82	↓1	↓1
Germany	10	80	12	81	↑2	↓1
United Kingdom	11	78	8	82	↓3	↓4
Canada	13	74	8	82	↓5	↓8
Iceland	13	74	13	77	-	↓3
Ireland	13	74	19	74	↑6	-
Estonia	13	74	21	71	↑8	↑3
Austria	13	74	16	75	↑3	↓1
Australia	18	73	13	77	↓5	↓4
Belgium	18	73	16	75	↓2	↓2
Japan	18	73	20	73	↑2	-
France	22	71	23	70	↑1	↑1
Chile	27	67	26	67	↓1	-
United States of America	27	67	16	75	↓11	↓8
<b>Korea, South</b>	<b>32</b>	<b>62</b>	<b>51</b>	<b>54</b>	<b>↑19</b>	<b>↑8</b>
Portugal	32	62	29	63	↓3	↓1
Lithuania	34	61	38	59	↑4	↑2
Spain	34	61	42	57	↑8	↑4
Israel	36	59	32	62	↓4	↓3
Latvia	36	59	40	58	↑4	↑1
Costa Rica	39	58	38	59	↓1	↓1
Slovenia	41	57	34	61	↓7	↓4
Italy	42	56	54	50	↑12	↑6
Poland	42	56	36	60	↓6	↓4
Czechia	49	54	42	57	↓7	↓3
Slovakia	56	52	57	50	↑1	↑2
Greece	58	49	59	48	↑1	↑1
Hungary	73	43	66	45	↓7	↓2
Colombia	87	39	96	21	↑9	↑2
Turkey	96	38	81	40	↓15	↓2
Mexico	124	31	135	29	↑11	↑2

**In Index of Public Integrity (IPI) evaluation,  
Korea ranked 18<sup>th</sup> in the World and the 1<sup>st</sup> in Asia,  
the highest ever**

*- Ranked high in data-based objective corruption control measurement-*

(13th Jan. 2021, ACRC)

The Korean government's effective control of corruption by lowering corruption risks and opportunities has been highly recognized, even amid the COVID 19 situation.

In 2021 Index of Public Integrity(IPI) which was recently released, Korea ranked 18<sup>th</sup> out of the 114 countries assessed and the 1st amongst Asian countries.

The IPI has been announced every two years since 2015 when it was first published by European Research Center for Anti-corruption and State-Building(ERCAS) based in Berlin released with a support of the European Commission.

The index is globally recognized as an objective assessment of judicial independence, citizen participation, freedom of the press, and effective control of corruption risk in administration, budget, and the market, providing precise data on the status and potential improvement of corruption control.

Korea ranked 23rd (8.04 scores out of perfect scores of 10), 24th(8.02 scores), and 20th (8.33 scores) in 2015, 2017 and 2019 respectively. And this year, among the 114 countries assessed, Korea took the 18th place (8.09 scores, first among Asian countries).

Specifically, Korea's rankings of this year in each assessment component are the 1st in trade openness; the 12nd in e-citizenship; the 21st in administrative burden; the 26th in budget transparency; the 34th in freedom of press; and the 48th in judicial independence.

Meanwhile, in the Bribery Risk Matrix(BRM) of TRACE International, a business risk management solution provider, Korea received the highest ranking of 21<sup>st</sup> out of 194 countries, classified as the country group of 'low risk' in terms of bribery risk (Press release dated on November 26, 2021)

The IPI and the BRM, recently developed and published, features national corruption measurements using concrete data or specified survey questionnaires to enhance objectivity of assessment results.

Jeon Hyun-Heui, a Chairperson of the ACRC remarked, "Korea has continued to be advanced in real data-based international assessments. The Korean government will make efforts to consistently improve and implement anti-corruption policies to join advanced countries with integrity.

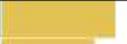
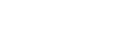
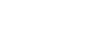
**Reference 1**      **2021 Index of Public Integrity (IPI) Results**

- Korea ranked 18<sup>th</sup> out of 114 countries with a score of 8.09, two steps up from 2019 ranking

Ranking	Country	Score	Judicial independence	Administrative burden	Trade openness	Budget transparency	e-citizenship	Freedom of the press
1	Denmark	9.62						
2	Norway	9.36						
3	New Zealand	9.28						
4	Finland	9.25						
5	Netherlands	8.84						
6	United States	8.83						
7	Switzerland	8.79						
8	Australia	8.76						
9	United Kingdom	8.57						
10	Sweden	8.43						
11	Estonia	8.42						
12	France	8.34						
13	Austria	8.30						
14	Germany	8.21						
15	Canada	8.16						
16	Luxembourg	8.14						
17	Costa Rica	8.12						
18	Korea Rep.	8.09						
19	Czech Republic	8.05						
19	Portugal	8.05						
21	Slovenia	8.04						
22	Japan	8.01						
23	Spain	7.96						
24	Uruguay	7.88						
25	Belgium	7.78						



- Korea ranked first in the 2021 IPI among 16 Asian countries

rank	Country	score	Judicial independence	administrative burden	Trade openness	Budget transparency	e-citizenship	Freedom of the press
1	 Korea Rep	8.09						
2	 Japan	8.01						
3	 Malaysia	7.20						
4	 Thailand	6.85						
5	 Philippines	6.52						
6	 Indonesia	6.29						
7	 Mongolia	6.05						
8	 India	5.94						
9	 Sri Lanka	5.90						
10	 Timor-Leste	5.75						
11	 Pakistan	5.69						
12	 Bangladesh	5.47						
13	 Nepal	5.32						
14	 Vietnam	4.45						
15	 Cambodia	4.26						
16	 Myanmar	3.07						

**Reference2**
**2021 Index of Public Integrity (IPI)  
Country Results**

Ranking	Country	Score	Ranking	Country	Score
1	Denmark	9.62	45	Thailand	6.85
2	Norway	9.36	46	North Macedonia	6.76
3	New Zealand	9.28	47	Peru	6.71
4	Finland	9.25	48	Ukraine	6.68
5	Netherlands	8.84	49	Colombia	6.59
6	United States	8.83	50	Ecuador	6.59
7	Switzerland	8.79	51	Russian Federation	6.54
8	Australia	8.76	52	Philippines	6.52
9	United Kingdom	8.57	53	Turkey	6.51
10	Sweden	8.43	54	Mexico	6.44
11	Estonia	8.42	55	Albania	6.41
12	France	8.34	56	Dominican Republic	6.36
13	Austria	8.3	57	Trinidad and Tobago	6.35
14	Germany	8.21	58	Greece	6.31
15	Canada	8.16	59	Indonesia	6.29
16	Luxembourg	8.14	60	Moldova	6.28
17	Costa Rica	8.12	61	Bosnia and Herzegovina	6.16
18	Korea Rep	8.09	62	Jordan	6.06
19	Czech Republic	8.05	63	Kazakhstan	6.06
20	Portugal	8.05	64	Mongolia	6.05
21	Slovenia	8.04	65	Qatar	6.01
22	Japan	8.01	66	Paraguay	5.97
23	Spain	7.96	67	El Salvador	5.96
24	Uruguay	7.88	68	India	5.94
25	Belgium	7.78	69	Sri Lanka	5.9
26	Ireland	7.76	70	Tunisia	5.84
27	Slovak Republic	7.7	71	Guatemala	5.77
28	Italy	7.66	72	Timor-Leste	5.75
29	Romania	7.64	73	Kenya	5.73
30	Malta	7.62	74	Kyrgyz Republic	5.73
31	Chile	7.49	75	Morocco	5.7
32	Georgia	7.39	76	Pakistan	5.69
33	South Africa	7.39	77	Ghana	5.67
34	Israel	7.38	78	Bangladesh	5.47
35	Lithuania	7.34	79	Namibia	5.47
36	Serbia	7.34	80	Nepal	5.32
37	Latvia	7.25	81	Honduras	5.3
38	Croatia	7.24	82	Egypt	5.21
39	Brazil	7.23	83	Senegal	5.14
40	Malaysia	7.2	84	Nicaragua	5.07

41	Argentina	7.1	85	Angola	4.83
42	Hungary	6.98	86	Botswana	4.83
43	Poland	6.89	87	Uganda	4.67
44	Bulgaria	6.88	88	Burkina Faso	4.49
89	Mali	4.46	102	Nigeria	4.05
90	Malawi	4.45	103	Côte d'Ivoire	4.02
91	Vietnam	4.45	104	Lesotho	3.74
92	Benin	4.4	105	Mozambique	3.72
93	Lebanon	4.4	106	Tajikistan	3.61
94	Rwanda	4.39	107	DR Congo	3.37
95	Liberia	4.36	108	Cameroon	3.27
96	Cambodia	4.26	109	Zambia	3.2
97	Bolivia	4.22	110	Myanmar	3.07
98	Sierra Leone	4.22	111	Venezuela	2.97
99	Algeria	4.14	112	Burundi	2.85
100	Zimbabwe	4.14	113	Yemen	2.43
101	Tanzania	4.11	114	Chad	2.3

## Reference3

## Overview of Index of Public Integrity(IPI)

- Published by: European Research Centre for Anti-corruption and State-Building (ERCAS)
- ※ The research to publish the Index of Public Integrity (IPI) was conducted by the support from the EU FP7 ANTICORRP project at the Hertie School of Governance.
- Background: pointing out the limits in the current anti-corruption measurement tools that are largely based on perceptions of experts or business people, lacking information on corruption-causing factors and specific guideline for improvement, IPI was developed as an alternative antic orruption tool to provide a clear measure to determine status and progress of corruption control
- ※ Countries covered: 114 countries (as of 2021)
- ※ biennially released since 2015
- Methodology: IPI is based on either concrete data or an analysis of explicitly defined and concrete questionnaires.
- Composition: institutional factors that have been proven to be strongly correlated with corruption control compose the IPI as its 6 sub-components

Component	Variables, Measurement, and Sources for raw data
Judicial independence	<ul style="list-style-type: none"> <li>• Sourced from the sub-indicator 'judicial independence' of the Global Competitiveness Index of the World Economic Forum</li> <li>⇒ From the Survey that asks the question "To what extent is the judiciary in your country independent from influences of members of government, citizens, or firms?"</li> </ul>

Administrative burden	<ul style="list-style-type: none"> <li>• Based on 4 indicators from Doing Business Dataset, World Bank</li> <li>⇒ Number of procedures required to start up a business, time needed to start up a business, number of tax payments per year, and time to pay taxes</li> </ul>
Trade openness	<ul style="list-style-type: none"> <li>• Based on 2 indicators from Doing Business Dataset, World Bank</li> <li>⇒ Total number of documents required to export and import, and time for exporting and importing</li> </ul>
Budget Transparency	<ul style="list-style-type: none"> <li>• Sourced from the open budget survey of International Budget Partnership</li> <li>⇒ 14 specific questions that cover transparency of the Executive's Budget Proposal</li> </ul>
E-Citizenship	<ul style="list-style-type: none"> <li>• Sourced from ICT data set of International Telecommunication Union and the data set of Internet World Stats</li> <li>⇒ The fixed broadband subscriptions, internet users and Facebook users (% population)</li> </ul>
Freedom of the Press	<ul style="list-style-type: none"> <li>• Freedom of the Press score sourced from the Freedom of the Press Dataset of the Freedom House</li> </ul>

**“For the better good of the people,”**

**ACRC makes 2022 the first year to leap forward  
with its digital platform for the people’s rights and  
interests**

*- Prevention of the infringement of the people’s rights and  
improvement of policies by enacting the “e-People Act” and  
connecting, integrating, and analyzing big data in the public and  
private sectors -*

*- Making public “Vision 2022 of the reliable digital platform  
for the people’s rights and interests” -*

(6th Jan. 2021, ACRC)



ACRC Chairperson releasing the “Vision 2022 of the reliable digital platform”

The Anti-corruption and Civil Rights Commission (ACRC) is planning to advance its “Digital platform for the people’s rights and interests” by

grafting the state-of-the-art digital technologies such as metaverse and AI, in order to make a virtuous cycle where the infringement of people's rights and interests is fundamentally resolved and policies are improved.

At this time of great transition to the digital era, the Anti-Corruption and Civil Rights Commission (Chairperson Hyun-Heui Jeon, hereinafter ACRC) released the "Vision 2022 of the reliable digital platform for the people's rights and interests" to switch and expand individual petitions into national policies.

At present, the ACRC operates the e-People system, which is the representative government digital communication system where 1,074 central administrative agencies, local governments and public institutions are closely connected, and 13 million civil complaints are resolved on an annual basis.

Also, the Commission has taken the lead in fundamentally resolving the inconvenience of the people by collecting opinions of citizens at "People's Idea Box," a representative portal for the people to participate in the policy-making process, using the opinions for institutional improvements and analyzing big data of civil complaints in a scientific way.

At this time of great transition to the digital era, however, there remained needs to fundamentally resolve the inconvenience of the people and civil petitions and to actively collect people's ideas and suggestions and reflect them in policies, by grafting more advanced digital technologies.

Therefore, the ACRC will accelerate the enactment of the "e-People Act" proposed at the National Assembly on January 3 and lay the foundation to leap forward with its digital platform for the people's rights and interests by organizing a "task force for the digital platform."

The system will expand the range of public institutions connected to e-People to all public institutions across the country and provide an automated information service about the policies that match the requests of the civil complainant even after resolving the civil complaint.

Moreover, it will realize the system to enable people to use the services of all public institutions with a one-time verification of the identity by connecting all institutions closely.

A chat-bot system will be introduced to give answers on a real-time basis to repetitive questions or the complaints many people are interested in, while complicated or difficult petitions will be automatically transferred to and processed by the concerned institution.

The metaverse technology will be applied to the People's Idea Box so that citizens can participate in the form of an avatar in the virtuous cycle of policies, from discovering a policy agenda, decision-making, evaluation, to feedback. By securing up to 100,000 citizen panels, the People's Idea Box will serve as a window to collect opinions on the government policies.

For the big data analysis of more than 13 million civil complaints and policy proposals accumulated every year, the internal data of the ACRC (administrative appeals, anti-corruption, Integrated Government Call Center (#110), etc.) and the external data of the public and private sectors will be connected and integrated in the form of clouds to be analyzed.

In this way, it will strengthen the function of forecasting civil complaints that predicts and alerts the damages directly related to the people's daily lives, such as the recent urea solution shortage issue or pandemic

situations, including COVID-19.

In addition, it will provide the EASY Administrative Appeals Service which gives customized ruling examples by administrative disposition type and helps appellants to fill out a written appeal automatically if they input certain information when claiming the administrative appeal.

Besides, it will enable people to use avatar when making corruption and public interest reports so that the identity of a reporter will not be exposed.

ACRC Chairperson Jeon Hyun-Heui said, “The digital platform for the people’s rights and interests will not only strengthen the digital competitiveness of the government but also realize the one-stop service for the people and significantly improve the quality of their lives.”

She also added, “This year, the ACRC will focus on digital innovation to make the establishment and operation of the digital platform for people’s rights and interests successful, for the better good and convenience of the people.”

**ACRC cracks down on corruption and acts detrimental to the public interest by strengthening functions by stages of “corruption & public interest report → protection & reward → confiscation & punishment”**

- *Prompt and fair responses to corruption & public interest reports and corruption issues, reform of protection and reward system centered on reporters, and enactment of a single unified law -*
- *ACRC released the 2022 plan for corruption & public interest report and protection & reward*

(6th Jan. 2021, ACRC)

The ACRC is planning to unify provisions on reporter protection and reward, scattered in the five laws\* related to corruption and public interest report into a single law, to enhance the unity and fairness of the standards regarding protection and reward.

\* Act on the Prevention of Corruption and the Establishment and Management of the Anti-corruption and Civil Rights Commission, Protection of Public Interest Reporters Act, Improper Solicitation and Graft Act, Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits, Act on the Prevention of Conflict of Interest Related to Duties of Public Servants

For cases that are a social issue, the ACRC strengthens the preemptive protection of the reporter by recognizing and publicly announcing the position as a reporter even before the ACRC’s decision on protective measures and expands the level of rewards for reports on corruption &

public interest so that practical compensation and support can be provided to reporters.

In addition, the effectiveness of handling reports will be improved and the reported person's rights to statement and defense also guaranteed by providing the reported person with the opportunity to submit materials and state opinions,

On January 6, the ACRC published the 2022 plan for corruption & public interest report and protection & reward that includes the above contents.

**The level of protection and reward for corruption and public interest reporters will be significantly raised.**

The ACRC unifies provisions on reporter protection and reward, scattered in the five laws\* related to corruption and public interest report, into a single law. Based on the current "Protection of Public Interest Reporters Act," the ACRC will secure the unity and fairness of the protection & reward standards and prevent any confusion regarding the application of the law.

\* Act on the Prevention of Corruption and the Establishment and Management of the Anti-corruption and Civil Rights Commission, Protection of Public Interest Reporters Act, Improper Solicitation and Graft Act, Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits, Act on the Prevention of Conflict of Interest Related to Duties of Public Servants

Also, to nurture an environment where people can freely make a report without fear, the ACRC will protect reporters in a preemptive manner,

such as recognizing the position of the reporter and providing provisional protective measures if the necessary conditions for report are met even before the ACRC's final decision on protective measures. To strengthen the confidentiality of reporters, starting in July, it will introduce the system for non-real name proxy representation even for corruption reports.

Following the criticism that the level of monetary rewards and awards falls short of the international standard, the ACRC will significantly enhance the reward for reports by shifting the payment rate of monetary rewards from section rate system (4%~30% for corruption reports, 4%~20% for public interest reports) to fixed rate system (30%), and by adjusting or abolishing the maximum limit of monetary rewards (3 billion Korean won).

**The ACRC responds to corruption issues such as corruption and public interest reports in a prompt and fair manner.**

The ACRC promptly analyzes corruption & public interest reports and corruption cases that are a social issue and pushes forward fact-finding inspections and institutional improvements. For the key corruption issues revealed by fact-finding inspections, the Commission discloses them to the media to induce the self-purification efforts of public institutions.

Twenty years after the implementation of the former anti-corruption act, it will now be possible to confirm facts about reported persons with the introduction of the system to “confirm facts about reported persons of corruption reports” (on February 18, 2022). The ACRC will utilize this function to substantially handle reported cases and prevent the infringement of the rights of reported persons due to fake reports.

The Commission will include fraudulent claims based on a “contract relationship” between a public institution and a private person that is currently excluded from the Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits into the scope of the application of the Act. It will also push forward the revision of the “acts that have different levels of sanction on the same kind of fraudulent claim” to close the blind spots in the management of public funds while reinforcing the inspection on whether public institutions confiscate fraudulently received public funds.

The ACRC will strengthen the management of the areas in the blind spots regarding the system\* to restrict re-employment of persons dismissed for corruption. It will also reinforce the inspection of elected officials, high-ranking officials, local assemblymen, and public officials related to the areas of national defense and construction. The Commission will also make it mandatory for public institutions to give prior notice of the system to restrict the re-employment to their public officials dismissed for corruption.

\* The system bans any public official who mandatorily retires or is dismissed or discharged from office or a former public official who is sentenced a fine of more than 3 million Korean won for committing an act of corruption in connection with his or her duties while in office, from being employed by public institutions or for-profit private enterprises related to the public duties of the institution to which he or she belonged, for five years from the date he or she retires.

The ACRC has led the improvement of national integrity through continuous responses to corruption issues and enhancement of the reporter protection and support system over the last four and a half years.

It has significantly expanded the range of protection of reporters by consistently adding relevant laws to the scope of the application of the Protection of Public Interest Reporters Act and complemented the system to fundamentally prevent the exposure of the reporters' identity, by introducing the system of non-real name proxy representation for public interest reports and toughening the criminal punishments against the violators of the duty to maintain the confidentiality of reporters.

In addition, the ACRC enacted and has implemented the Act on Prohibition of False Claims for Public Funds and Recovery of Illicit Profits since January 2020, to confiscate the whole amount of the fraudulent profit and impose a penalty up to five times the amount, if a false claim is made on the payment from the public fund, such as subsidies and monetary rewards.

As a result, the number of laws applied to public interest reports has risen by 192, from 279 to 471 since the launch of the Moon Jae-in Administration. Up to November last year, reporter protection has been provided in 248 cases and monetary rewards and awards of 23.2 billion Korean won has been paid.

Kim Ki-sun, the ACRC Director General for Inspection & Protection Bureau revealed, "In 2022, the ACRC will make efforts to meet the increased expectations of the people by handling corruption and public interest reports in a more prompt and fairer manner and effectively responding to corruption in the public and private sectors through the overall reform of protection and reward system from the reporters' perspective."

## **ACRC publicized the result of the 2021 Anti-corruption Initiative Assessment(AIA)**

- *The institutions receiving increased AIA grades due to active anti-corruption efforts showed improved integrity levels -*
- The significance and influence of the anti-corruption efforts of public institutions will rise because of the newly introduced “Comprehensive Integrity Assessment” this year -*

(18th Jan. 2021, ACRC)



ACRC Chairperson disclosing the results of the 2021 AIA

The Anti-Corruption and Civil Rights Commission(ACRC) announced the results of the “Anti-Corruption Initiative Assessment(AIA)” conducted for 273 public institutions, including central government agencies, local autonomous governments, offices of education, and public service-related organizations.

※ The assessment results of target institutions (on 7 unit tasks and 19 indicators) were announced as the integrity level (grade 1 to 5)

Through the AIA that evaluates the anti-corruption efforts and achievements of public institutions every year since 2002, the ACRC has supported public institutions to voluntarily push forward their anti-corruption policies.

The result of this assessment revealed that the more increased grade a public institution received in the AIA due to its active anti-corruption efforts, the more meaningful co-relation it shows between its AIA result and the result of the “Integrity Assessment for public institutions(IA)” released in December last year.

The public institutions(63 institutions<sup>\*</sup>) receiving enhanced grades in the 2021 AIA showed improvement in all Comprehensive Integrity Level (+0.12 points), External Integrity Level (+0.15 points), and Internal Integrity Level (+0.05 points). In particular, the institutions that improved by more than two grades in the AIA showed a relatively larger improvement (+0.16 points) in the Comprehensive Integrity Level than those that went up one grade(+0.11 points).

\* The AIA results were analyzed for a total of 203 institutions that were assessed for two consecutive years, excluding the 70 institutions that were not subject to the 2020 AIA, and national/public universities and public health institutions for which different assessment models were applied.

On the other hand, the institutions with lowered grades in the AIA showed relatively sharp drops in all Comprehensive Integrity Level (-0.11 points), External Integrity Level (-0.09 points), and Internal Integrity Level (-0.06 points).

The average score of all the target institutions was 84.7 out of 100 points and the score for municipal and provincial education offices was the highest (88.8 points), followed by public service-related institutions (87.0 points), metropolitan/provincial governments (86.6 points), and central administrative agencies (85.6 points). The result also revealed that local district governments (79.8 points), national/public universities (77.5 points), and public health institutions (76.7 points), which showed low scores, need to make further efforts.

Moreover, according to the analysis of the results by institution type, the types with a higher AIA score also showed a higher Integrity Level. Therefore, it was revealed that the institutions that make efforts to actively push forward initiatives following the direction of the government's anti-corruption policies also have generally outstanding integrity levels and perceptions internally and externally.

※ (Integrity Level) Municipal and provincial education offices (8.54 points) > public service-related institutions (8.51 points) > central administrative agencies (8.29 points) > metropolitan/provincial governments (8.14 points) > local district governments (8.03 points)

※ Among all the institution types, metropolitan/provincial governments showed the largest increase in Comprehensive Integrity Level (+0.12 points)

In the assessments by unit task, the best result was shown in the task of “Operation of anti-corruption institutions,” which assesses the performance in operating laws and institutions such as integrity education, code of conduct, recovery of public funds, and the Improper Solicitation and Graft Act, etc., followed by the task of “Effort to spread anti-corruption policies,” which includes the indicators on activities to spread the culture

of integrity and efforts to share and disclose anti-corruption information.

On the other hand, it was revealed that the score of the task, “Establishment of anti-corruption institutions” was low, meaning that public institutions need to make further efforts to implement the ACRC’s recommendations on institutional improvements in preventing corruption.

Also, it was revealed that some institutions didn’t follow the protective provisions for corruption and public interest reporters, violating the obligation to maintain the confidentiality of personal information of reporters, for example, or didn’t implement legal protective measures such as decision to protect reporters. These cases led to deduction of points, requiring more attention from public institutions.

< Average score by unit task >

Planning	Implementation				Achievement/wider adoption		Deduction	Total
Establishment of anti-corruption implementation plan	Expansion of participation in integrity policies	Establishment of anti-corruption institutions	Efforts to eradicate corruption risks	Operation of anti-corruption institutions	Outcome of anti-corruption Policies	Efforts to spread anti-corruption policies		
85.0	77.5	75.8	81.3	97.0	79.1	91.6	-0.06	84.7

ACRC Chairperson Jeon Hyun-Heui said, “Despite the pandemic situation caused by COVID-19, most public institutions systematically established and implemented their annual anti-corruption plans and made best efforts to publicize the achievements to the people.”

She also added, “As the assessment system will be reorganized this year, in the way that anti-corruption initiative efforts of public institutions are directly reflected in the Comprehensive Integrity Level, the importance and influence of the assessment will also be enhanced significantly. Therefore, I would like to ask all public institutions to make active anti-corruption efforts to raise the integrity level of the public sector.”

## Attachment 1

# Comparison of the Integrity Assessment Measures before and after the reorganization

Section	Before reorganization	After reorganization (2022 ~)													
<b>Assessment Measures</b>	<ul style="list-style-type: none"> <li>A dual assessment system to operate the Integrity Assessment and the Anti-corruption Initiative Assessment separately               <ul style="list-style-type: none"> <li>Integrity Assessment (maximum 10 points), Anti-corruption Initiative Assessment (maximum 100 points)</li> </ul> </li> <li>Separate publication of the results               <ul style="list-style-type: none"> <li><b>Integrity Assessment:</b> December,</li> <li><b>Anti-corruption Initiative Assessment:</b> Jan. ~ Feb. of the following year</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Integrated assessment system (Comprehensive Integrity Assessment)</b> <ul style="list-style-type: none"> <li>Integrity Perception Level (perceptions and experiences) + Integrity Effort Level (efforts and achievements)</li> <li>Corruption Realities (deducting points for corruption cases, etc.) (maximum 100 points)</li> </ul> </li> <li><b>Publication of the 2022 assessment results:</b> January ~ February 2023</li> </ul>													
<b>Target Institutions</b>	<ul style="list-style-type: none"> <li>Integrity Assessment: Annual assessment of appx. 700 institutions</li> <li>Anti-corruption Initiative Assessment: Annual assessment of appx. 270 institutions               <ul style="list-style-type: none"> <li>Most basic local governments and small-scale quasi-government agencies do not conduct the Anti-corruption Initiative Assessment.</li> </ul> </li> <li>For central administrative agencies and public service-related organizations among the target institutions of the Integrity Assessment, the institution types are subdivided depending on the number of employees of the institutions.</li> </ul>	<ul style="list-style-type: none"> <li><b>Target institutions for annual assessment</b> (appx. 500 institutions) + <b>target institutions for additional assessment</b> (selected every year)               <ul style="list-style-type: none"> <li><b>(Annual assessment)</b> Central administrative agencies, metropolitan/local governments, municipal and provincial education offices, public organizations, quasi-government agencies, and metropolitan local councils</li> <li><b>(Additional assessment)</b> Local public corporations, other public organizations, basic local councils, national/public universities, public health institutions, etc.</li> </ul> </li> <li>The institution types are recategorized, depending on the nature and functions of the institutions.               <ul style="list-style-type: none"> <li><b>(Central agencies)</b> Minister-level agencies / Vice Minister-level agencies</li> <li><b>(Public service)</b> Public companies/ quasi-government institutions/ local public corporations/ national &amp; public universities/ public health institutions/ other public service-related organizations</li> </ul> </li> </ul>													
<b>Assessment Indicators</b>	<ul style="list-style-type: none"> <li>Integrity Assessment (Survey):               <table border="1" data-bbox="311 1646 821 2004"> <thead> <tr> <th>External Integrity Level</th> <th>Internal Integrity Level</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>Corruption perception (5 indicators)</li> <li>Corruption experience (6 indicators)</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Perception of culture of integrity (10 indicators)</li> <li>Experience of integrity at work (8 indicators)</li> </ul> </td> </tr> </tbody> </table> </li> </ul>	External Integrity Level	Internal Integrity Level	<ul style="list-style-type: none"> <li>Corruption perception (5 indicators)</li> <li>Corruption experience (6 indicators)</li> </ul>	<ul style="list-style-type: none"> <li>Perception of culture of integrity (10 indicators)</li> <li>Experience of integrity at work (8 indicators)</li> </ul>	<ul style="list-style-type: none"> <li><b>Integrity Perception Level (60%)</b> <table border="1" data-bbox="829 1601 1436 2004"> <thead> <tr> <th></th> <th>External work duties</th> <th>Internal operation organization</th> </tr> </thead> <tbody> <tr> <td>Corruption perception</td> <td colspan="2"> <ul style="list-style-type: none"> <li>degree of performing duties in an unfair manner, including violation of laws (External (3 indicators), Internal indicators))</li> <li>abuse of power as a public official (External (3 indicators), Internal (4 indicators))</li> </ul> </td> </tr> <tr> <td>Corruption experience</td> <td colspan="2"> <ul style="list-style-type: none"> <li>Violation of integrity obligation such as acceptance of bribe (2 indicators each for external and internal)</li> </ul> </td> </tr> </tbody> </table> </li> </ul>		External work duties	Internal operation organization	Corruption perception	<ul style="list-style-type: none"> <li>degree of performing duties in an unfair manner, including violation of laws (External (3 indicators), Internal indicators))</li> <li>abuse of power as a public official (External (3 indicators), Internal (4 indicators))</li> </ul>		Corruption experience	<ul style="list-style-type: none"> <li>Violation of integrity obligation such as acceptance of bribe (2 indicators each for external and internal)</li> </ul>	
External Integrity Level	Internal Integrity Level														
<ul style="list-style-type: none"> <li>Corruption perception (5 indicators)</li> <li>Corruption experience (6 indicators)</li> </ul>	<ul style="list-style-type: none"> <li>Perception of culture of integrity (10 indicators)</li> <li>Experience of integrity at work (8 indicators)</li> </ul>														
	External work duties	Internal operation organization													
Corruption perception	<ul style="list-style-type: none"> <li>degree of performing duties in an unfair manner, including violation of laws (External (3 indicators), Internal indicators))</li> <li>abuse of power as a public official (External (3 indicators), Internal (4 indicators))</li> </ul>														
Corruption experience	<ul style="list-style-type: none"> <li>Violation of integrity obligation such as acceptance of bribe (2 indicators each for external and internal)</li> </ul>														

	<ul style="list-style-type: none"> <li>• Anti-Corruption Initiative Assessment: Same indicators are used for all target institutions</li> <li>- A total of 19 indicators were used for the areas of “Planning – Implementation – Achievement and Wider Adoption” and deduction</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Integrity Effort Level (40%)</b> : Application of <b>customized and phased indicators and introduction of assessment for initiative effectiveness</b></li> <li>- A total of 15 indicators are used (about half the number for small-scale institutions)</li> </ul>
<p><b>Assessment Methods</b></p>	<ul style="list-style-type: none"> <li>• Integrity Assessment (Survey for internal and external integrity levels) : Corruption perception score + Corruption experience score (relative evaluation)</li> <li>• Anti-Corruption Initiative Assessment: quantitative &amp; qualitative assessment by indicator</li> <li>- 3 ~ 15 points per indicator (gap among indicators ↑)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Integrity Perception Level:</b> Survey (Citizens who experienced public service, Internal employees) Corruption perception score — Corruption experiencescore (deduction)</li> <li>▶ <b>Integrity Effort Level:</b> quantitative &amp; qualitative assessment + effectiveness assessment</li> <li>- 5 ~ 10 points per indicator (gap among indicators ↓)</li> </ul>
<p><b>Deduction</b></p>	<ul style="list-style-type: none"> <li>• Deduction for corruption cases</li> <li>- Deduct points of maximum 7% from the final result of the Integrity Level (maximum 10 points) (Extra deduction for key corruption cases through qualitative assessment)</li> <li>- Limited opportunities for public institutions to give feedback (only available by media coverage)</li> <li>• Any action to undermine reliability</li> <li>- Sanction standards are applied only in the Integrity Assessment</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Corruption Realities</b></li> <li>- <b>Comprehensively deduct points of maximum 10%</b> (10 points) from the final result of Perception Level and Experience Level (maximum 100 points)</li> <li>- Opportunities to confirm and vindicate alleged corruption cases run twice to improve the accuracy</li> <li>▶ <b>Any action to undermine reliability and fairness of the assessment</b></li> <li>- Sanction standards are created and applied for such actions occurred during the whole assessment process of Perception Level, Effort Level, and Corruption Realities</li> </ul>

## **Anti-Corruption Training Institute of ACRC “strengthens customized integrity education for elected and high-ranking officials”**

*- The ACRC creates an 「Integrity & Ethics Management Training Course」 for public corporations and quasi-government organizations and expands integrity education programs for the next generation to be provided by visiting elementary and middle schools -*

(26th Jan. 2021, ACRC)



The Anti-Corruption Training Institute (ACTI) under the ACRC

Taking the opportunity of the major elections this year, the Anti-Corruption and Civil Rights Commission (ACRC) is planning to strengthen integrity education for high-ranking officials such as elected officials and public officials in political service and to create an “Integrity & Ethics Management Training Course” for public corporations and quasi-government organizations.

In addition, the Commission will develop and distribute interesting contents for the integrity education of citizens and expand the operation of integrity education programs for the next generation to raise the awareness of integrity of elementary and middle school students.

On January 26, the Anti-Corruption Training Institute under the ACRC announced its “2022 Plan for anti-corruption and integrity education” including the plans mentioned above.

This year, the Anti-Corruption Training Institute will carry out the “Customized education for high-ranking officials” through various workshops and consultative meetings that will be held for political and elected high-ranking officials who will be newly appointed and elected at this year’s elections.

In this way, the ACRC will enhance the leadership of integrity by raising the understanding on anti-corruption and integrity policies of high-ranking officials and helping them to correctly recognize the expectations of the people about corruption.

Also, the ACRC will make it mandatory for integrity education programs for high-ranking officials to include the Act on the Prevention of Conflict of Interest Related to Duties of Public Servants, which will be enforced on May 19, so that the system can be stably established.

The Anti-Corruption Training Institute will create a systematic and professional “Integrity & Ethics Management Training Course,” customized to the business environments of public corporations, etc., to prevent a “Second LH scandal” and raise the integrity level of businesses to the ever-increasing international level.

This year, the Institute will operate professional education courses such as basic theory of integrity and ethics management, practical programs, and responses to ethical conflict situations, mainly for large-scale public corporations and quasi-government organizations that carry out duties in such areas as development and compensation, transportation, finance, and energy, which are directly related to people's daily lives.

It will also develop and distribute interesting contents for integrity education, such as "Special lectures by integrity celebrities" where citizens can learn the value of integrity in an easy and fun way using history and the arts, and "Integrity Webtoon," an enjoyable animation combining webtoon and video clips.

In particular, to enhance the integrity awareness of the next generation, the Institute will expand the operation of integrity education programs provided by visiting elementary and middle schools.

It will also expand the anti-corruption technical support to developing countries. In addition to training courses in English and Russian, it will carry out anti-corruption training courses to Latin American countries, including Costa Rica and Paraguay, which have requested anti-corruption technical support many times.

In December last year, President Moon Jae-in stated that, "Korea will share our anti-corruption policies, highly appreciated by the international society, with developing countries for the advancement of global democracy."

Jung Yoon-jeong, President of the Anti-Corruption Training Institute, said, "As the new central and local governments will be launched this year, the

Institute will further strengthen the education programs customized by target, and produce and distribute easy and fun contents for integrity education to raise the effectiveness of the education for public officials.”

## **ACRC held meetings for auditors of public institutions**

*- Key anti-corruption policies and tasks for 2022 were delivered to public institutions -*

(20th Jan. 2021, ACRC)



ACRC holding meetings for auditors of public institutions

The Anti-Corruption and Civil Rights Commission (ACRC) held “The meetings to deliver anti-corruption and integrity policies and tasks” for auditors of public institutions to continuously increase the Corruption Perception Index (CPI) and to complete the anti-corruption and fairness reform based on environmental changes such as COVID-19 and the Fourth Industrial Revolution.

To comply with COVID-19 quarantine guidelines, the meetings were held four times by institution type and attended by auditors of the central administrative agencies (January 20), metropolitan and provincial governments (January 21) local district governments (January 25), and public service-related institutions (January 26) in the form of a video conference.

The ACRC has carried out government-wide anti-corruption policies, including establishment of strict conduct standards and public service ethics for fair performance of public duties, prompt responses to corruption issues, and continuous integrity education.

Accordingly, various tasks and agenda were presented and discussed at the meetings to create tangible results that the people can feel directly and to accomplish the goal of making the national CPI rank in the top 30 by following four strategies: ① Advancement of anti-corruption and integrity systems; ② Continuous inspection and improvement of corruption-prone areas; ③ Settlement of anti-corruption & integrity awareness and cooperation; and ④ Reinforcement of reporter protection in an active and preemptive manner.

First of all, as the Act on the Prevention of Conflict of Interest Related to Duties of Public Servants will take effect from May 19, the ACRC will lay the institutional foundation for public institutions to operate the system as planned and use a new comprehensive assessment system that combines the Integrity Assessment and Anti-corruption Initiative Assessment that have been used since 2002.

Second, it will significantly strengthen the prompt and fair response system to corruption issues that citizens are highly interested in. It will include ‘workplace harassment’ into the concept of power abuse and added the specific behavioral standards such as measures to protect victims of power abuse to the Code of Conduct for Public Officials, while finalizing the reform of company regulations of public institutions that have been pushed forward since 2020.

Third, to raise the anti-corruption and integrity awareness, the ACRC will

make face-to-face integrity education mandatory for elected officials and high-ranking officials such as heads of public institutions. Also, for the substantial improvement of integrity education, the Commission will make public institutions disclose their current status regarding the completion of integrity training courses on their website.

Last, to create an environment where people can freely make a report without fear, it will protect reporters in a preemptive manner, such as recognizing the position of the reporter and providing provisional protective measures if the necessary conditions for report are met even before the ACRC's final decision on protective measures.

ACRC Chairperson Jeon Hyun-Heui said, "As people feel tired of the continuous pandemic situation caused by COVID-19, I would like to ask you to actively carry out the important duty of anti-corruption and fairness reform with unwavering hope."

She also added, "I would like to ask you, the auditors of public institutions at various levels, to do your best in your position to make Korea a country of integrity and fairness."

## **ACRC Actively Communicates with AMCHAM Korea to Enhance National Integrity Level**

*On January 14(Fri), ACRC explained Conflict of Interest Prevention Act to AMCHAM executives and foreign businesses in Korea -*

(17th Jan. 2021, ACRC)



ACRC Chairperson explaining the Korean gov't anti-corruption policy etc.

On January 14, the Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Jeon Hyun-Heui) explained the Korean government's anti-corruption policy achievements and the ACRC's efforts to strengthen legal and institutional foundation for effective prevention of corruption at a webinar jointly held with the American Chamber of Commerce in Korea (AMCHAM).

At the webinar attended by AMCHAM board of governors and executives, and American businesses operating in Korea, Chairperson Jeon introduced the government's anti-corruption policy achievements in enhancing the country's national integrity level. She then delivered a lecture on the Act on the Prevention of Conflict of Interest Related to Duties of Public

Servants (hereinafter Conflict of Interest Prevention Act) which was promulgated on December 31 last year, explaining the law's purpose and impact on international companies operating in Korea.

The Conflict of Interest Prevention Act was designed to fundamentally prevent public officials from pursuing personal interests in the course of carrying out their official duties. The law applies to public officials but has some provisions applicable to individuals or corporations that are related to duties of public organizations.

If a National Assembly member or a public agency official receives civil complaints from a foreign company and he/she is personally related to the company's representative, executive, or manager, the public official must report the fact to the head of the organization he/she belongs to (Article 5 of the Act). If the public official carries out the duties concerned without reporting the fact and this turns out to be illegal, the public official and his/her personally related person or company will face restitution of the financial gains earned.

In addition, the Act prohibits a third party from getting financial gains by using confidential or undisclosed information received from a public official (Article 14 of the Act). Violation of the provision may lead to imprisonment for up to five years or a fine of up to 50 million Korean won and confiscation or collection of the financial profits gained. The Act also prohibits a public official from representing a foreign organization, legal person, or group without the approval of the head of his organization (Article 10 of the Act).

**< Reference: example cases applicable >**

- ▶ If a director general of a Ministry is to handle an application for a product approval of foreign company B, in which his/her brother serves as an executive, the director general must report the fact to the head of his/her organization and request for his removal from the duty. If he/she, handles the application without doing so and this turns out illegal, the financial gains that the director general, his/her brother, or company B earned will be retrieved.
  
- ▶ If C who is an executive of a foreign company receives from his/her spouse D, a public official of a public organization, the organization's undisclosed information and gains financial benefits, public official D will face imprisonment for up to seven years or a fine of up to 70 million Korean won and his/her spouse C will face imprisonment for up to five years or a fine of up to 50 million Korean won. Financial gains that the public official D and his/her spouse C earned will be confiscated or collected.

Chairperson Jeon Hyun-Heui of the ACRC said, “The Conflict of Interest Prevention Act aims to secure fairness in public officials performing official duties. So the Act in the end will help make business environment fairer. I am looking forward to high recognition by AMCHAM and foreign companies on the active efforts exerted by the Korean government and the ACRC to make Korea more fair and transparent ”

The webinar was held online to prevent the spread of COVID 19 and could be watched on AMCHAM's YouTube channel.

※ AMCHAM Korea website : <http://www.amchamkorea.org>

YouTube channel :

<https://youtube.com/channel/UCJzov9Tqs5FjHYye72WfiJA>

## **ACRC, Protector of Citizens, Resolves Difficulties of Foreign Companies Operating in Korea**

*ACRC visited ECCK to listen difficulties of foreign companies and discuss u reasonable institutional improvement issues-*

(13th Jan. 2021, ACRC)



Foreign Business Grievance Meeting between the ACRC and the ECCK

On January 13 at 10 AM, the Anti-Corruption and Civil Rights Commission (ACRC, Chairperson Jeon Hyun-Heui) had an onsite foreign business grievance meeting with the European Chamber of Commerce in Korea (ECCK) to hear difficulties of international companies operating in Korea and discuss about institutional improvement issues.

The meeting between the ACRC and the ECCK was organized for an in-depth discussion on some of the policy suggestions from the perspective

of foreign companies that were presented in the ECCK whitepaper 2021 published in August last year. Agenda include reasonable adjustment of the scope of excepted driver insurance coverage exemption and reduction of time required to register environmentally friendly vehicle.

The meeting was held at the ECCK office located in Jun-gu, Seoul, to listen difficulties of foreign companies in Korea, with the participation of ACRC Foreign Enterprises Ombudsman Park Gye-ok, ECCK President Christoph Heider, ECCK Vice President Kim Bo Sun and other officials.

The ACRC set up Foreign Enterprises Ombudsman system last year with an aim to resolve difficulties of foreign companies doing business in Korea that are unfamiliar with Korea's administrative and legislative environment and to dedicatedly receive and consult corruption and public interest violation reports filed by foreign businesses in Korea. On November last year, ACRC standing commissioner Park Gye-ok was appointed as Foreign Enterprises Ombudsman.

The ECCK is a non-profit organization founded in 2012 to support European companies operating in or related to Korea. It has around 360 partners of companies or organizations and publishes a whitepaper every year, suggesting opinions of foreign companies on areas for institutional improvement.

Foreign Enterprises Ombudsman Park Gye-ok said, "As Foreign Enterprises Ombudsman, I feel a responsibility for protecting rights and interests of foreign businesses in Korea. I will thoroughly review what we discussed today, and in areas that need improvement due to excessive administrative procedures or regulations, I will do my best to make institutional improvement or resolve complaints"

He added, “Any foreign company difficulties in operating in Korea could get help from Foreign Enterprises Ombudsman.”

## ACRC Foreign Enterprises Ombudsman Hotline

△ Email: [acrc@korea.kr](mailto:acrc@korea.kr)

△ Tell: 044-200-7154

△ ACRC Foreign Enterprises Ombudsman Operation Procedure

