
LAW OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA ON COMPENSATION FOR DAMAGE

Adopted by Decree No. 2513 of the Presidium of the Supreme People's Assembly on August 22, 2001
and amended by Decree No. 1083 of the Presidium of the Supreme People's Assembly on April 19, 2005

Chapter 1 Fundamentals

Article 1 (Objective)

This Law is enacted for the purpose of providing strict guidelines for the compensation for damage caused through damaging the property or injuring human body, thereby protecting the civil rights and interests of institutions, enterprises, organizations and citizens.

Article 2 (Principle of compensation by person culpable)

The State shall ensure that the person culpable for causing damage to the property of the institutions, enterprises, organizations and citizens or injuring human body make due compensation.

Article 3 (Principle of full compensation for damage)

The State shall ensure that full compensation is made for the damaged property or injured human body that is decreased or prevented from increasing.

Article 4 (Principle of preventing damage from increasing)

The injured party is obliged to prevent, to the extent possible, the damage caused by trespassing on property or injuring human body from increasing. Where damage is increased through failure to fulfill this obligation, the right of claim for indemnity by the injured shall be restricted just as much.

The expenses spent by the injured for preventing the damage from increasing may be included in the indemnity.

Article 5 (Compensation for damage by custodian)

Where damage is caused by wild animals, explosives, inflammables or radioactive substances that demand special attention, the person under obligation to keep and maintain them shall be required to make compensation even though he is not faulty.

Where damage is caused deliberately or through gross negligence on the part of the injured or under unavoidable circumstances, the person under obligation to take custody and maintain them shall not be required to make compensation.

Article 6 (Principle of claiming for holding property in security)

A person whose property is damaged or body injured may, to have the damage compensated, make a request to a judicial organ to hold the property of the injurer on security.

Where it is established that the property was held on security without any reasonable grounds, the person who made such request shall make compensation for the damage incurred through holding the property on security.

Article 7 (Principle of claiming for compensation against person liable for administrative or penal responsibility)

The injured may make a claim for compensation against a person who caused bodily injury or property damage even though the latter is to be liable to administrative or penal responsibility.

Article 8 (Scope of regulation)

This Law shall regulate the principles and procedures for the compensation for damage caused through damaging the property of institutions, enterprises, organizations and citizens or injuring human body.

Compensation for damage caused in the course of civil transactions based on contracts shall be governed by the relevant law and regulations.

Chapter 2 Parties Involved in the Relationship of Compensation for Damage

Article 9 (Capacity of parties to damage compensation)

Parties to damage compensation shall include a claimant to compensation for damage caused through damaging property or injuring human body and the person obliged to make such compensation.

A claimant to damage compensation shall include the institutions, enterprises, organizations and citizens that suffered damage or injury, or a successor to their rights, and the party under obligation to make compensation shall include the institutions, enterprises, organizations and citizens that caused damage or injury, or a successor to their obligation.

Article 10 (Claimant to damage compensation at time of dissolution, merger or division)

A claimant to damage compensation of an institution, enterprise or organization to be dissolved shall be a liquidator, and claimant to damage compensation of an institution, enterprise or organization to be merged or divided shall be the institution, enterprise or organization that has taken over the rights to claim.

The right of claim of a deceased or a missing person shall belong to his successor or a custodian of his property.

Article 11 (Right of agent to claim)

A claimant to damage compensation may exercise the right through his agent.

The right of claim of an incompetent person shall be exercised by his parents or guardian.

Article 12 (Waiver or transfer of right of claim for damage compensation, debt offset)

A claimant to damage compensation may waive or transfer the right of claim, reduce the amount claimed or offset it with his debt.

The foregoing paragraph shall not be applicable where the claimant to damage is an institution, enterprise or organization.

Article 13 (Damage compensation by incompetent person)

Damage caused by an incompetent person through damaging property or injuring human body shall be obligatorily compensated by his parents or guardian. In this case a guardian shall make compensation with his own property or the property of the incompetent person under his custody.

The obligation to make compensation by an incompetent person who is outside the control of his parents or guardian shall be fulfilled by an institution, enterprise or organization that is to control him.

Article 14 (Damage compensation by person with partial legal capacity)

Where a person with a partial legal capacity damaged property or harmed human body, he shall be obliged to make compensation for the damage or harm caused. However, the obligation to make compensation that is beyond his ability to pay shall be fulfilled by his parents or guardian.

Article 15 (Damage compensation by missing or deceased person)

The obligation to make compensation by a missing or a deceased person shall be discharged by the custodian of his property or his successor. In this case compensation shall be made within the limit of the property under custody or inherited.

Article 16 (Damage compensation by official during performance of duties)

Where an official caused damage through damaging property or injuring human body while performing the duties assigned to him permanently or temporarily, obligation to make compensation shall be assumed by the institution, enterprise or organization that he belongs to.

After making the above-mentioned compensation the institution, enterprise or organization may, depending on the extent of damage caused, require the person concerned to make up for the compensation.

Article 17 (Obligation to make compensation for damage caused by domestic animals)

Where a domestic animal damaged a person's property or caused bodily injury, the owner or the person responsible for its care shall be obliged to make compensation. However, in case where the person that suffered damage is faulty, less or no compensation may be made.

Article 18 (Compensation in case where share of indemnity is not distinct)

Where the share of indemnity is not distinct due to the interrelated act of injurers, the claimant may require one of the injurers to make compensation for the whole amount of damage caused.

The person who made such compensation may require the other injurers to pay his share of indemnity.

Chapter 3 Liability to Make Compensation for Property Damage

Article 19 (Basic requirement)

Liability for compensation for damaged property shall be held only for the property damage that can be calculated in terms of money.

Damage that cannot be calculated in terms of money shall be subject to the decision of a judicial organ.

Article 20 (Compensation for damaged land)

A person that damaged land like farmland shall restore it to the original state before compensating for the damage caused.

The area of damaged land to be restored to the original state shall be determined and the amount of indemnity calculated by a land supervisory organ or an agricultural guidance organ.

Article 21 (Compensation for damaged forest)

A person who fell trees in secret or caused forest fire shall compensate for the value of forest resources plus the expenses required for building up forest resources anew.

The value of the forest resources and the expenses required for building up new forest resources shall be determined by the forest management and guidance organ.

Article 22 (Compensation for damaging subjects to prohibition)

A person who hunted or collected animals or plants that are the subjects to prohibition during the prohibition period or in the prohibited area, or caused them to be decreased shall make due compensation.

The amount of indemnity shall be determined by the land supervisory organ.

Article 23 (Compensation for damaged agricultural crops)

A person who damaged agricultural crops shall compensate for the expenses spent for their cultivation.

The amount of indemnity shall be determined by the agricultural guidance organ.

Article 24 (Compensation for destruction of scenic spots or natural monuments)

A person who destroyed scenic spots or natural monuments shall make due compensation.

The amount of indemnity shall be determined by the guidance organ of protection of scenic spots and natural monuments.

Article 25 (Compensation for damaged underground resources)

A person who illegally mined underground resources shall compensate in terms of their value.

The value of underground resources shall be determined by the mining industry guidance organ.

Article 26 (Compensation for damaged marine resources)

A person who damaged marine resources being farmed or cultivated shall compensate for the value of the marine resources concerned or the expenses spent for the farming or the cultivation.

A person who did fishing in the restrictive waters or in violation of designated kinds of fish, amount of catch, fishing period and method shall make due compensation.

The amount of indemnity shall be determined by the fisheries guidance organ or the land supervisory organ.

Article 27 (Compensation for environmental pollution)

A person who caused emission of ore residue, wastes and harmful gas in excess of the prescribed standard of environmental protection or caused pollution of air, water and soil through oil leakage shall make due compensation.

A person under obligation to make compensation and the amount of indemnity shall be determined by the supervisory organ of environmental protection.

Article 28 (Compensation for destroyed building or facility)

A person who destroyed a building or a facility, or obstructed the use thereof shall compensate the expenses required for restoring it to the original state and other damage caused.

Expenses required for restoration to the original state shall be determined by the guidance organ of city management.

Article 29 (Compensation for damaged conduction installation, machinery and equipment)

A person who caused damage to properties like conduction installation, machinery, equipment and conveyance shall make compensation for the expenses required for their restoration to the original state plus damage caused to a third person through destruction thereof.

The amount of indemnity shall be determined by the competent supervisory organ.

Article 30 (Compensation for destroyed cultural relics)

A person who destroyed, robbed, smuggled or stole cultural relics shall make due compensation.

The amount of indemnity shall be determined by the guidance organ of cultural relics preservation.

Article 31 (Compensation for damaged raw and other materials)

A person who damaged, misappropriated or stole raw and other materials, and semi-finished goods shall make compensation for the value of the property and operational loss resulting therefrom.

The amount of indemnity shall be determined by the price fixing institution.

Article 32 (Compensation for damaged property like commodity and fertilizer)

A person who caused damage to property like commodity, furnishings, books, agricultural products or domestic animals shall make due compensation.

Compensation shall be made at the retail or purchasing price of the property concerned before the damage caused, or at the price at which it was to be sold.

Article 33 (Compensation for insured property damaged)

A person whose insured property is damaged may demand that the person who caused such damage compensate for the damage that cannot be made good by insurance indemnity.

The insurance institution that paid indemnity may charge the due sum of money to the person who caused such damage.

Article 34 (Possession of property remaining after compensation)

An injurer who made full compensation for the value of the property he has damaged shall have the right to possess the remaining value of the property concerned.

Article 35 (Compensation for obstructing transactions of securities or credit settlement bond)

A person who obstructed the transactions of securities like deposit books or insurance policy, and credit settlement bonds like check or bill, or forged them shall make due compensation.

Where a person who caused damage is partly liable for damage caused, his or her right of claim shall be reduced just as much.

Article 36 (Compensation for infringement of copyright)

A person who caused property loss through infringement of copyright shall make due compensation.

Where it is proved that a person published in his own name or copied the materials that he came to know while reviewing or editing other's works, the person concerned shall make due compensation.

The amount of indemnity shall be determined by the copyright guidance organ.

Article 37 (Compensation for infringement of right to invention or patent)

A person who caused property loss through infringement of the right to invention or patent shall make due compensation.

Where it is proved that a person plagiarized other's scientific and technical invention and published it in his own name or transferred it to a third person for him to obtain invention right or patent, due compensation shall be made.

The amount of indemnity shall be determined by the patent guidance organ.

Article 38 (Compensation for infringement of trademark right or industrial design right)

A person who caused damage through infringement of the rights related to trademark, industrial design or name of an enterprise shall make due compensation. Provided that the trademark, industrial design, name of an enterprise and the like are registered with the institution concerned.

Article 39 (Compensation for property damaged under unavoidable circumstances)

Where damage is unavoidably caused to a certain property while trying to rescue the property of an institution, enterprise, organization or citizen, the owners of the property so rescued shall make compensation according to the proportion of the property rescued. In this case the amount of rescued property should be larger than the damaged one.

Chapter 4 Liability for Compensation for Injuring Human Body

Article 40 (Basic requirement)

Compensation for bodily injury shall be made for the damage caused through injuring the health or life of a person.

Compensation shall also be made where a person's freedom is restricted, or mental anguish is inflicted through impairing his dignity or honour.

Article 41 (Compensation for impairing other's health)

A person who impaired other's health shall compensate for the expenses for medical treatment or the amount of income lost due to the latter's not being able to work.

Where treatment for recovery of health is provided free of charge at a medical institution, expenses for such treatment shall be received by the institution concerned to be paid into the State Treasury.

Article 42 (Compensation for loss of ability to work)

A person who caused whole or partial disability of another shall compensate for expenses for recovery of health, amount of lost income, and the maintenance for the dependents of the injured.

Article 43 (Compensation for amount of income lost and maintenance)

Compensation for the amount of lost income shall be made until the injured recovers his working ability.

Compensation for maintenance shall, in case of a minor, be made until he has working ability and in case of a person in need of continued support, until he dies.

Article 44 (Compensation for causing death)

A person who caused a person to die through impairing his body shall make compensation for the expenses for medical treatment while he was alive, funeral costs and maintenance.

Article 45 (Right of claim for compensation not transferable)

Right of claim for compensation for damage caused through impairing a human body shall not be transferable.

Article 46 (Impairing of human body not to be compensated)

Where a person inflicted bodily injury on an injurer in order to protect his or a third person's health or life, the injury caused shall not be compensated. In this case such effort should be made for the purpose of directly preventing himself or a third person from suffering bodily injury and within the range of self-defense.

Chapter 5 Determination of the Amount of Indemnity, Manner of Making Compensation

Article 47 (Basic requirement)

An institution, enterprise, organization or citizen that suffered damage of property or bodily injury shall fix the damage in good time.

Damage shall be fixed by having the injurer make verbal confirmation or draw up a note of confirmation.

Where an injurer refuses or delays drawing up a note of confirmation, the matter shall be brought to the people's security organ or a note of confirmation shall be worked out in presence of a third person.

Article 48 (Determination of amount of indemnity by agreement)

The amount of indemnity to be compensated due to damaging a person's property shall be determined by agreement between the parties concerned.

In case of failure in agreement between the parties concerned the amount of indemnity shall be determined by a judicial organ by reference to the retail or purchasing price of the property damaged.

Article 49 (Calculation of indemnity)

Where the property of an institution, enterprise or organization is prevented from increasing due to the damage caused, the amount of indemnity shall be calculated by averaging the yearly income of the 3 years before the damage in question. In this case calculation of the indemnity may be referred to a financial institution or other specialized agency.

Article 50 (Calculation of indemnity in case extent of damage is not verified)

Where it is impossible to verify the extent of damage that is prevented from increasing due to the damage caused, the amount of indemnity shall be 5% of the value of the property damaged.

Article 51 (Calculation of indemnity for bodily injury)

Indemnity for bodily injury shall be calculated on the basis of the confirmation of the medical institution and other institutions concerned.

Loss of income of a person whose health was impaired may be calculated by averaging his 6 months' salary before the impairment was caused.

Article 52 (Application for reassessment of indemnity)

Where the degree of disability changes after the amount of indemnity for bodily injury is determined, a party involved in the relationship of compensation may submit an application to a judicial organ for the reassessment of the indemnity.

Article 53 (Prescription of claim for compensation)

A person whose property or body suffered damage or injury shall make a claim for compensation within the period of prescription. Claim for compensation shall, nevertheless, be made regardless of the prescription period in the case of a serious damage of property or injury of human body.

Article 54 (Obligation to make compensation)

A person under obligation to make compensation shall fulfill his obligation by the time appointed.

Where a person is not able to pay an indemnity, he shall make compensation on gaining such ability.

A claimant for compensation may make such claim to a judicial organ as soon as the person under obligation has the ability to make compensation.

Article 55 (Manner of paying indemnity)

Compensation shall be made in terms of money.

The damaged property may, in accordance with the relevant law or by agreement between the parties concerned, be compensated by having it restored to the original state or with the property of the same or a different kind.

Article 56 (Settlement of disagreement)

Any disagreement concerning compensation for causing property damage or bodily injury shall be settled through consultation.

In case of failure in consultation the matter shall be referred to a judicial organ for settlement.