
REGULATIONS ON ESTABLISHING AND OPERATING FOREIGN-INVESTED LAW OFFICES

Adopted by Decree No. 751 of the Presidium of the Supreme People's Assembly on November 17, 2004
and amended by Decree No. 1271 of the Presidium of the Supreme People's Assembly on August 30, 2005

Chapter 1 General

Article 1 (Objective)

These Regulations are formulated to protect legal services by providing strict guidelines for establishing and operating foreign-invested law offices.

Article 2 (Form of law office)

The foreign legal organization may provide legal services to individual citizens and foreign-invested enterprises by opening a branch office in the Democratic People's Republic of Korea ("the DPRK").

Article 3 (Obligatory observance of laws and regulations)

The foreign-invested law office ("the Office") shall adhere strictly to the laws of the DPRK in its legal services.

The legal services detrimental to the national security, public order and traditional customs of the nation shall be prohibited.

Article 4 (Legal protection)

The legal assets of the Office shall not be subject to nationalization or forfeited.

Article 5 (Term of operation)

The Office shall be allowed to operate for up to 5 years.

The term of operation shall be extendable upon request by the relevant foreign legal organization.

Article 6 (Permission and supervision)

The establishment and operation of the Office shall be permitted and supervised by the Presidium of the Supreme People's Assembly.

Article 7 (Limitation)

These Regulations shall not apply to the law offices in the special economic zones.

Chapter 2 Establishing the Office

Article 8 (Capacity of relevant foreign legal organization)

The foreign legal organization shall be entitled to open the Office only if it:

1. Is legitimate in its legal services in its own country;

2. Has a good prestige in legal services;
3. Has prospective clients in the DPRK;
4. Is favourable towards the DPRK;
5. Guarantees its responsibilities in accordance with the laws of the DPRK; and
6. Has the economic resources to establish and operate the Office.

Article 9 (Capacity of foreign lawyer)

The foreign legal organization may dispatch a lawyer to the Office. In this case the lawyer dispatched should hold a practicing certificate of his own country with at least 3 years of experience.

Anyone who has a criminal record or is unfavourable towards the DPRK shall not be dispatched as a lawyer.

Article 10 (Submitting application for establishing and operating Office)

The foreign legal organization that wishes to establish the Office in the DPRK shall submit an application to the Presidium of the Supreme People's Assembly.

The application may be submitted through the relevant central organ or the people's committee of the province (or municipality directly under the central authority).

Article 11 (Contents of application)

The application should contain the name, nationality and address of the foreign legal organization, the name and address of the Office and the name of the chief of the Office, and be signed by the representative of the foreign legal organization.

Article 12 (Documents to be attached to application)

The application should be attached to by the following documents:

1. The articles of association of the foreign legal organization;
2. A copy of the company certificate that proves the legal establishment and operation of the foreign legal organization;
3. An introduction of the foreign legal organization;
4. A copy of the audited accounts for the previous 2 years;
5. A list of the foreign lawyers of the Office, their CVs and the copies of their practicing certificates;
6. A copy of the contract;
7. The operation plan of the Office; and
8. The name of the relevant organ in the DPRK.

Article 13 (Language and notarization of application)

The application for the establishment and operation of the Office shall be in Korean.

In case the application is prepared in a foreign language, it should be translated into Korean and endorsed by the diplomatic or consular mission of the DPRK. However, any attachments to the application should be notarized in the originating country.

Article 14 (Evaluation procedure for application, date of establishment)

The application shall be evaluated within 60 days from the date of its acceptance.

In case of approval, a business license shall be issued, and in case of a denial, the reasons shall be notified in writing.

The issuance date of the license shall be the date of establishment of the Office.

Article 15 (Registration of address and tax affairs)

The Office should register its address with the people's committee of the province (or municipality directly under the central authority) within 60 days following the issuance of the license and also be registered with the relevant tax office within 20 days thereafter.

Article 16 (Change to Office's name, address)

The Office should obtain the approval of the Presidium of the Supreme People's Assembly in respect of any change to its name or address.

In case of approval, applications to register such change should be submitted to the relevant organ and the tax office within 30 days.

Approval must also be obtained for any change of staff.

Article 17 (Fees)

Fees shall be paid for obtaining the business license, registering address and tax affairs registering any change, and extending the office's license.

Fees shall be set by the relevant central organ.

Chapter 3 Operation of the Office

Article 18 (Principles of activities)

The Office may provide legal services after obtaining its address registration.

The Office should provide legal services in a fair and sincere manner.

Article 19 (Categories of service)

The Office may provide the following categories of service:

1. Legal services related to the law of the originating country, international agreements and conventions;
2. Acceptance of the legal request of its clients in the Office's originating country or the DPRK;
3. Assigning cases to a DPRK law office on behalf of foreign parties;
4. Concluding and implementing a contract for legal matters with a DPRK law office or a relevant organ;
5. Providing information about the legislation of the DPRK; and
6. Legal services according to contract.

Article 20 (Prohibition)

The following acts shall be prohibited:

1. Presenting false evidence or misrepresentation;
2. Causing false evidence or misrepresentation through coercion or enticement;
3. Hindering a lawful collection of evidence by a concerned party;
4. Engagement in any acts of bribery; or
5. Disclosing confidential business or private information of any concerned party.

Article 21 (Employment in the DPRK)

The Office may employ a citizen of the DPRK as a member of its staff or temporary staff.

Article 22 (Prohibiting the holding of concurrent positions by staff)

The staff of the Office shall not work in another office.

Article 23 (Fees)

The Office shall receive fees for its legal services under these Regulations in the DPRK territory.

The fees shall depend on mutual consent in view of the complexity of the service provided, working hours and other conditions.

Article 24 (Accounting and audited documents, opening bank accounts)

The Office shall prepare its accounting documents in accordance with the accounting and auditing practices of the DPRK.

Bank accounts shall be opened with a bank of, or a foreign-invested bank in the DPRK.

Article 25 (Remittance)

The Office and its foreign lawyers may remit abroad its or their legal income.

Article 26 (Importing office equipment and material)

The Office may import equipment and other material necessary for its operation subject to the Customs Law and regulations of the DPRK.

Article 27 (Tax)

The Office and its foreign lawyers shall pay tax according to regulations.

Taxes shall be paid to the relevant local tax office.

Article 28 (Extension of term of operation)

The Office may extend its term of operation. In this case, an application for the extension shall be submitted to the Presidium of the Supreme People's Assembly 60 days prior to the expiry date of the original term.

Article 29 (Evaluation of extension application)

The application for an extension shall be evaluated within 30 days following the date of its acceptance for either approval or disapproval.

The approved extension shall be registered with the relevant organ.

Article 30 (Civil responsibility)

The Office shall bear civil responsibility for any legal services provided within the DPRK.

Article 31 (Business reports)

The Office shall submit in time the data required by the license or registration authorities, and a regular report on its business every 6 months to the Presidium of the Supreme People's Assembly.

Article 32 (Termination of business)

The Office shall terminate its business where:

1. Licensed period has expired;
2. It has withdrawn its business voluntarily;
3. Its application for extension of business license has been rejected;
4. Its business license has been forfeited; or
5. Its parent organization has closed operation.

Article 33 (Cancellation of registration)

The Office must clear all debts and claims and cancel all registrations and accounts within 90 days of termination of its business.

In case of a voluntary closure, the Office shall give a 60-day advance notice to the institution that has issued the license.

Chapter 4 Sanction, Settlement of Disputes

Article 34 (Fines)

Fines shall be levied on the Office in the following cases:

1. Where the Office has counterfeited or altered its license;
2. Where the Office has changed its location without approval;
3. Where the Office has changed its name or its staff without approval;
4. Where a foreign lawyer has been employed without approval;
5. Where a bank account has been opened or used contrary to these Regulations;
6. Where the Office has provided legal services after the expiry date of its business license;
7. Where the Office has provided legal services after its business license has been withdrawn;
8. Where the Office's accounting and audited documents have not been prepared as required by the regulations;
9. Where the Office has provided legal services contrary to official approval; or
10. Where the Office has not submitted its business reports in time.

Article 35 (Withdrawal of business license)

The Office's business license shall be withdrawn in the following cases:

1. In case of any penal responsibility by the Office or its staff;
2. Where Article 19 or 20 of these Regulations has been contravened;
3. Where the Office has received legal service fees outside the DPRK territory; or
4. Where the Office's staff has provided false evidence or coerced or enticed a concerned party.

Article 36 (Forfeiture)

Any activity or service carried out without a license or approval shall lead to forfeiture of the Office's assets or income.

Article 37 (Penal responsibility)

Any serious contravention of these Regulations may be liable to a penal responsibility.

Article 38 (Dispute resolution)

Any dispute arising in establishing and operating the Office shall be settled through consultation.