

SOUTH KOREA TO EASE REGULATIONS ON DPRK VENTURES

Earlier this month, the South Korean government announced that it has relaxed regulations concerning cooperative ventures and exchanges with North Korea. Up until now, South Korean companies, organizations or individuals wishing to enter into business agreements with North Korean partners were required to get government permission not only for the project, but for the individuals involved in the project.

On May 8, the Ministry of Unification announced plans to abolish the system granting (or denying) permission to individuals involved in these ventures, and to maintain only the system through which it grants authority to carry out specific projects.

Cross-border traffic faced similar red tape, as permission was required not only for goods being imported or exported, but for the importers and exporters themselves. The new plan includes measures for these import and export regulations to be loosened so that it is only the goods that need review, not the people involved in the trade. In addition, trucks and other equipment used to carry goods across the border will be certified for a period of five years, more than twice as long as the current two-year licensing system.

The government is also moving to ease requirements calling for South Korean citizens to report all contact with North Koreans, and instead to require reports on conversations only if the topic falls outside that of the approved project.

Reflecting the growing amount and diverse nature of inter-Korean cooperative projects, and the ROK government's policy of encouraging such exchange, this new proposal is aimed at

reducing the red tape and paperwork hassles necessary to launch and carry out these projects by reducing the amount of information required by the applicant and the volume of cross-checking required by government offices. At the same time, the proposal calls for the introduction of fines for those found to be filing false applications or reports.

If this proposal does not get mired in the Cabinet or other committees, it is expected to reach the floor of the National Assembly sometime in June.