**Regulations Governing Establishment of the Labor Funds Supervisory Committee of the Ministry of Labor**

Article 1 These regulations are enacted in accordance with Paragraph 2 of Article 4 of the Labor Pension Act.

Article 2 The responsibilities of the Labor Funds Supervisory Committee (hereinafter referred to as the committee) of the Ministry of Labor (hereinafter referred to as MOL) are as follows:

1. Review of the utilization of the Labor Pension Fund, Labor Insurance Fund, Employment Insurance Fund, Arrear Wage Payment Fund and Labor Occupational Accident Insurance Fund (hereinafter referred to as Labor Funds).

2. Review of the annual budgets and final accounts of the Labor Funds.

3. Review of Annual Labor Fund utilization plans.

4. Review of the results of financial audits of the Labor Funds.

5. Review of the overall performance of the Labor Funds.

6. Review of the balance and custody of the Labor Pension Fund.

7. Other affairs related to supervision of Labor Funds utilization.

Article 3 The committee shall be composed of 21 members, including a convener concurrently assumed by a deputy minister of MOL appointed by the minister of the MOL. The remaining members shall be appointed (assigned) from among the following personnel:

1. Six representatives recommended by the labor group at the national level.

2. One representative recommended by the employer group at the national level.

3. One representative from the MOL.

4. One representative from the Financial Supervisory Commission.

5. One representative from the Ministry of Finance.

6. Ten scholars and specialists.

Five of the committee members described in subparagraph 6 of the preceding paragraph shall be recommended by the labor group at the national level, two recommended by the employee group at the national level, and three appointed by the MOL.

The number of committee members of either gender may not be less than one third.

Article 4 The committee members described in subparagraphs 1 and 2 of Paragraph 1 of the preceding article shall have one of the following qualifications:

1. A graduate from the department of finance, banking, accounting, economics, law, investment management, risk control, retirement pension management or business management of a domestic or foreign university, or an individual with academic equivalency.

2. Fives years of working experience in the field of finance, banking, accounting, business management, human resources or law.

The committee members described in subparagraph 6 of Paragraph 1 of the preceding article shall have one of the following qualifications:

1. Having served or currently serving as a professor or associate professor at a domestic or foreign university to teach a course associated with financial management, banking, trust, insurance, investment, securities, futures, risk control, accounting, auditing, economics, management or law for at least two years.

2. Having graduated from a domestic or foreign university or the academic equivalency as well as having worked for at least five years in the field of securities, futures, insurance or banking, or having equivalent experience.

3. Having held a senior rank position at a fund authority or a position of the equivalent level at a fund management institution, as well as proven to have the relevant professional knowledge or management ability.

4. Having served in the past or having worked as a lawyer or certified public accountant for at least five years.

Article 5 Individuals meeting any of the conditions specified in the following items may not serve on the committee; those already appointed shall be dismissed or suspended:

1. Having no or only limited capacity for civil conduct and therefore unable to execute related duties.

2. Having committed any of the crimes specified in the Organized Crime Prevention Act and been convicted.

3. Having committed an act of corruption and been convicted.

4. Having committed the crime of counterfeiting currency, securities forgery, embezzlement, fraud, or breach of trust and been sentenced to serve a specific term of imprisonment the execution of which is not yet completed or it has been less than ten years since the imprisonment was completed, the period of reprieve expired or the offender being pardoned.

5. Having committed the crime of forgery, offense against privacy, usury, credit infringement, or having violated the Tax Collection Act, Trademark Act, Patent Act or other industrial administration act and been sentenced to a specific term of imprisonment the execution of which is not yet completed or it has been less than five years since the imprisonment was completed, the period of reprieve expired or the offender being pardoned.

6. Having violated the Securities Investment Trust and Consulting Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Asset Securitization Act, Clauses of the Real Estate Securitization Act, Insurance Act, Securities and Exchange Act, Futures Trading Act, Foreign Exchange Regulation Act, Credit Cooperatives Act, Agricultural Finance Act, Farmers Association Act, Fishermen Association Act, Money Laundering Control Act, or other financial administration act, and having been sentenced to a specific term of imprisonment the execution of which is not yet completed or it has been less than five years since the imprisonment was completed, the period of reprieve expired or the offender being pardoned.

7. Having been adjudicated bankrupt and his or her rights and privileges have not yet been reinstated.

8. Having been the person in charge when a juristic person was adjudicated bankrupt and it has been less five years since the bankruptcy mediation was completed or the results of mediation have not been fulfilled.

9. Having been denied service by the bills clearing house and the denial status has not yet to be removed, or there remains a record of dishonored check due to insufficient funds in three years since the denial status has been removed.

10. Having caused serious damage to his or her credit worthiness and the event has not yet been settled or it has been less than five years since the event was settled.

11. Having been ordered by the competent authority of the concerned industry to be replaced, discharged or dismissed for violation of the Securities Investment Trust and Consulting Act, Banking Act, Financial Holding Company Act, Trust Enterprise Act, Act Governing Bills Finance Business, Financial Asset Securitization Act, Clauses of the Real Estate Securitization Act, Insurance Act, Securities and Exchange Act, Futures Trading Act, Credit Cooperatives Act, Agricultural Finance Act, Farmers Association Act, Fishermen Association Act, or other financial administration act, and it has been less than five years since the violation took place.

12. Having been ordered to enter a reformatory or to perform compulsory labor due to an offense of larceny or receiving stolen property and the sentence has not been completed or it has been less than five years since the sentence was completed.

13. Currently serving as the person in charge, department chief, manager, employee or in another position in a securities investment trust enterprise or securities investment consultancy business and conflicts of interest are deemed likely.

14. The committee having reached the decision that the individual in question has seriously failed to fulfill his or her responsibilities and is therefore considered inappropriate to be on the committee.

Article 6 The MOL shall notify the labor and employer groups at the national level to present the lists of three representatives and three scholars and specialists each before appointment (assignment) of committee members or before the term of committee members expires.

The representatives and scholars and specialists described in the preceding paragraph shall include at least one female.

Article 7 The members of the committee shall serve a term of two years and may be reappointed (reassigned) when a term expires.  
The number of reappointed (reassigned) committee members may be more than one third but shall be less than two thirds of the total number of committee members.

Article 8 When the position of a committee member recommended by the labor or employer group becomes vacant in the middle of a term, the original recommending group shall act according to Article 6 and present a list of recommended candidates for the MOL to select and appoint the successor. When the position of a member of academic or professional background becomes vacant, the MOL shall appoint the successor. However, in the event that a remaining term is less than three months, the MOL may decide not to appoint a successor.

When the position of a member representing a government agency becomes vacant, the agency concerned shall reassign a succeeding representative for the MOL to make the appointment.

The succeeding members described in the two preceding paragraphs shall serve until the term of the original members expires.

Article 9 The committee shall have one executive secretary concurrently assumed by the director of the Department of Employment Welfare and Retirement of the MOL to execute daily affairs at the instructions of the convener, and the staff work shall be carried out by the Department of Employment Welfare and Retirement.

Article 10 The committee shall meet once a month and ad hoc meetings may be convened when necessary.

The convener shall convene and chair committee meetings. If unable to attend a meeting, the convener shall designate one of the members to chair the meeting on his or her behalf.

Committee members shall attend meetings in person and may not delegate others to attend meetings on their behalf.

Article 11 The attendance of at least two thirds of the members and at least one member recommended by the labor group, one recommended by the employer group and one scholar or specialist shall be required for a meeting to proceed.

Every decision made during a committee meeting shall require the approval of the majority of the attending members. When the numbers of approval and disapproval votes are equal, the chair shall decide. However, fund asset allocation plans, budgets and final accounts and other important issues to be decided during a meeting shall require the approval of at least two thirds of the attending members.

Recusal of members with conflicts of interest associated with the management and utilization of the Labor Funds shall be conducted according to Articles 32 and 33 of the Administrative Procedure Act.

Article 12 The Committee may invite scholars and specialists as well as agencies (institutions) and units concerned about the issues to be decided to attend committee meetings and provide their opinions.

Article 13 The members and staffers of the committee shall keep matters related to the committee’s operations confidential.

With the exception of confidential matters, the meeting minutes of the committee shall be made public.

Article 14 All the member seats of the committee are non-paid positions. However, those not affiliated with the MOL may be given fees for their part-time service and transportation according to related regulations.

Article 15 The MOL shall establish a budget to provide the funds needed by the committee.

Article 16 These regulations shall take effect on July 1, 2020.

These regulations amended shall take effect on May 1, 2022.