



**Asia-Pacific  
Economic Cooperation**

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Session 4

## **Improper Solicitation and Graft Act - One Year After Enactment, Social Changes and Remaining Challenges**

Submitted by: Korea



**Best Fit Practices and Experience Sharing  
Workshop on Corruption Prevention  
Mechanisms in APEC Economies  
Port Moresby, Papua New Guinea  
24 February 2018**

# Improper Solicitation and Graft Act

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One Year after Enactment,  
Social Changes And Remaining Challenges



Anti-Corruption &  
Civil Rights Commission

ADB/OECD  
Anti-Corruption Initiative for Asia and the Pacific  
**9th Regional Conference**

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- I . Background**
  - II . Main Contents**
  - III . Achievements in one year  
after enactment**
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# I. Background of the Act

## Enactment of the Act

**Corruption-prone culture**

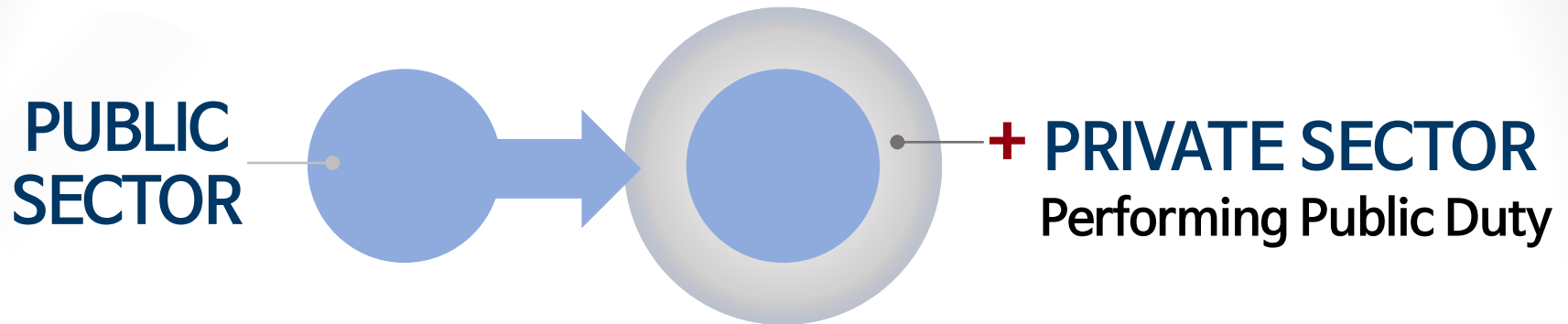
**Legal loopholes  
existed in  
corruption  
control**

**Distrust in the  
public sector**

II

# Main Contents

# 1. Scope of Application



## ✓ Public Sector

Public officials | Heads and faculty members of public schools |  
Heads and employees of public service-related institutions

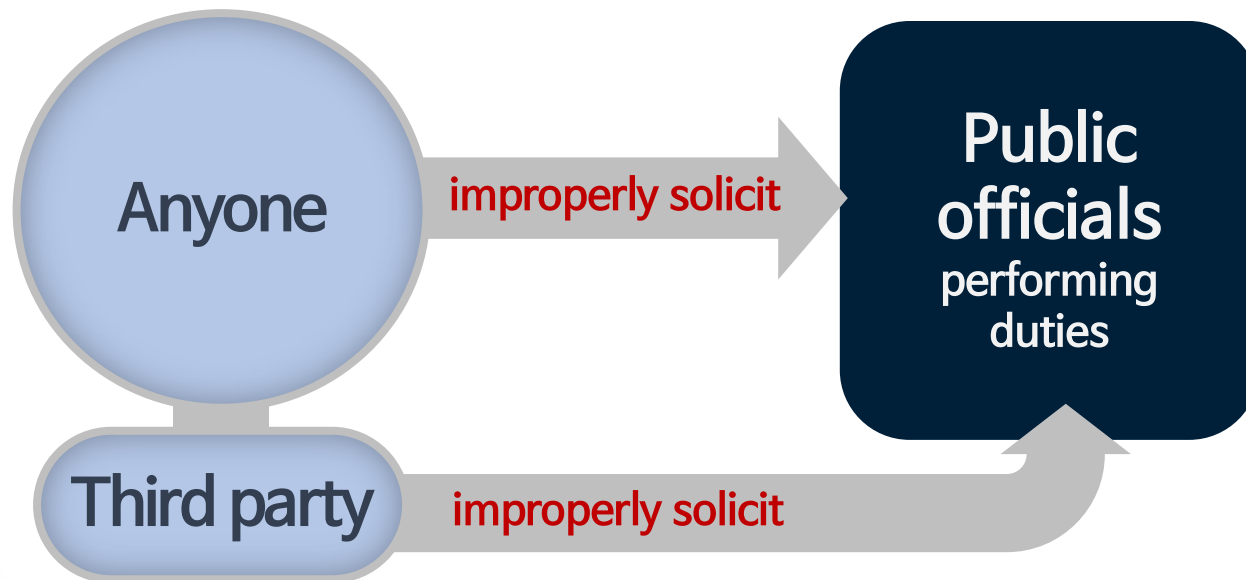
## ✓ Private Sector

Private schools | Journalists | Persons performing public duty

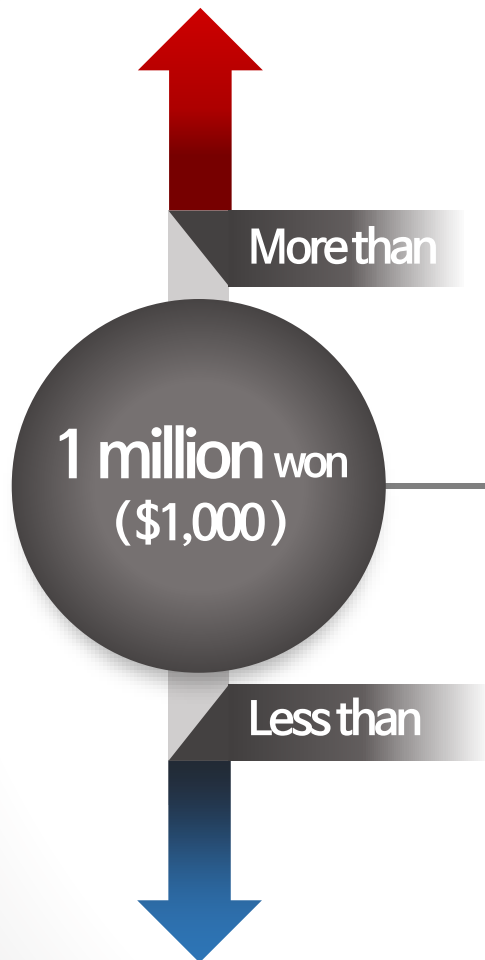
## 2. Prohibition of Improper Solicitation

Direct or indirect improper solicitations to public officials are prohibited

Ex.) Permit · license, remission of administrative disposition, intervention in personnel management, school admission, grades, investigation or trial



### 3. Prohibition of Money, Goods, etc.



Regardless of  
**duty-relatedness,**  
any financial benefits are banned

**Duty-related**  
financial benefits are banned



## 3. Exceptions | Prohibition of Money, Goods, etc.

1. Money, goods, etc. offered by public institutions or senior public officials
2. Foods, gifts and congratulatory or condolence money offered for facilitating public duties, social relationships, rituals or aids
3. Money, goods, etc. offered from a legitimate source of right
4. Money, goods, etc. provided by relatives
5. Money, goods, etc. offered in accordance with the rules of employee's mutual aid societies or social organizations or by those with close relationship
6. Transportation, accommodations or foods provided uniformly in a normally accepted at an official event
7. Souvenirs, promotional goods distributed, or prizes in a contest or a lottery
8. Money, goods, etc. permitted by other Acts, subordinate statutes, standards, or societal rules and norms

# 4. Punishment for Prohibited Acts

## Administrative fine

Up to KRW 30 Million (\$30,000)

- Person making an improper solicitation **through a third party**
- Person making improper solicitation **for a third party**
- Public officials receiving **less than KRW 1 million (\$1,000) regarding their duty**, and the provider

## Criminal punishment

Maximum 3 Years of Imprisonment  
or Fine of up to 30 Million (\$30,000)

- Public officials **carrying out duties as solicited**
- Public officials receiving **more than KRW1 million (\$1,000)**, and the provider

# III

**Achievements**  
in 1 year  
after enactment of the act

# 1. Enhanced Public Integrity Perception

“Customary practice of asking a special favor and giving entertainment is an improper act”

78%

General  
Public

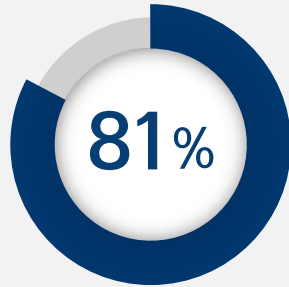
82%

Public  
Officials

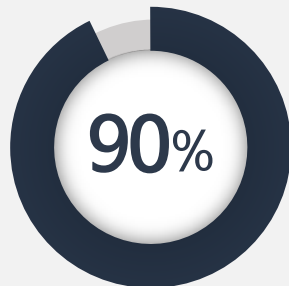
After the Act took effect, ethical sensitivity of the public has been enhanced

## 2. Reduced Corruptions

“Requests based on personal connections have dropped”

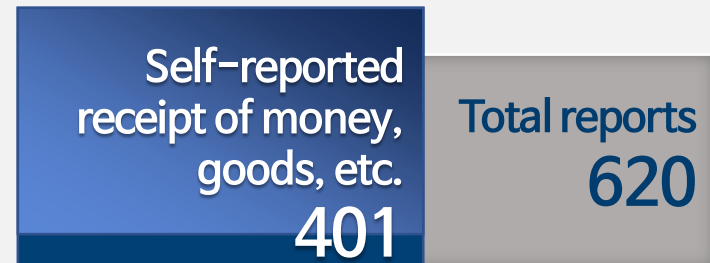


“Duty-related hospitality and gifts have decreased”



Improper requests and hospitality behind the scene have been reported and detected

Self-reported violations : 65%



# 3. Improved Business Environment

Entertainment expenses of Korea's 500 biggest companies have dropped

First half of 2016

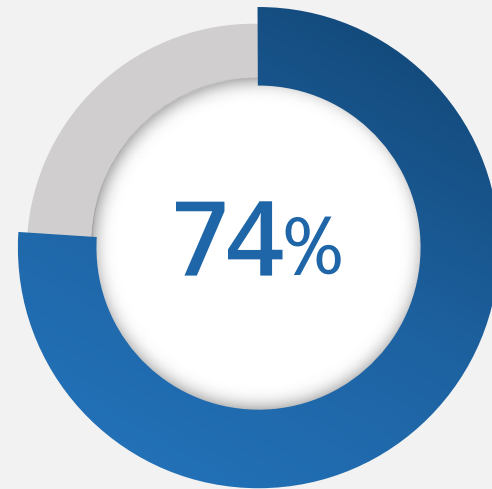
W 114.3 billion  
(\$114.3 million)

15%

First half of 2017

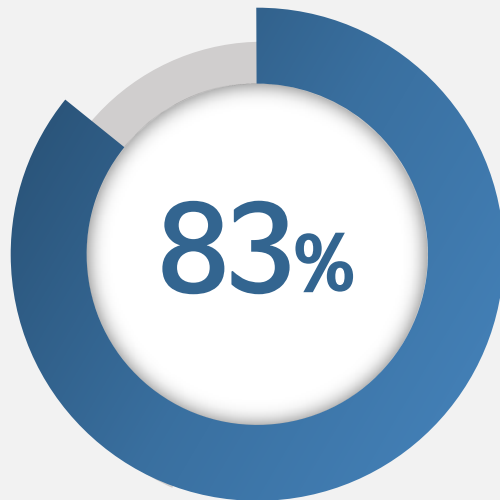
W 97 billion  
(\$97 million)

“Business environment has been improved”

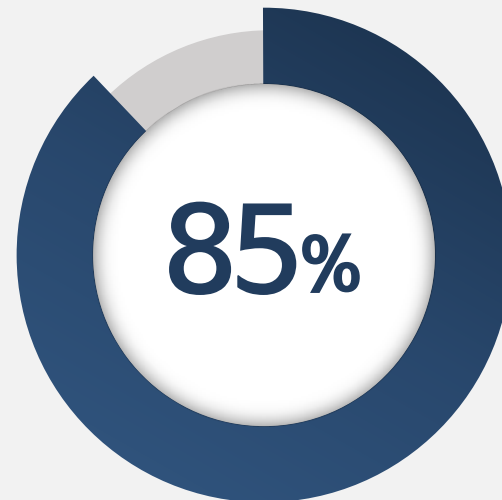


## 4. No Money Gifts in Schools

“Custom of giving money gifts to teachers have disappeared”



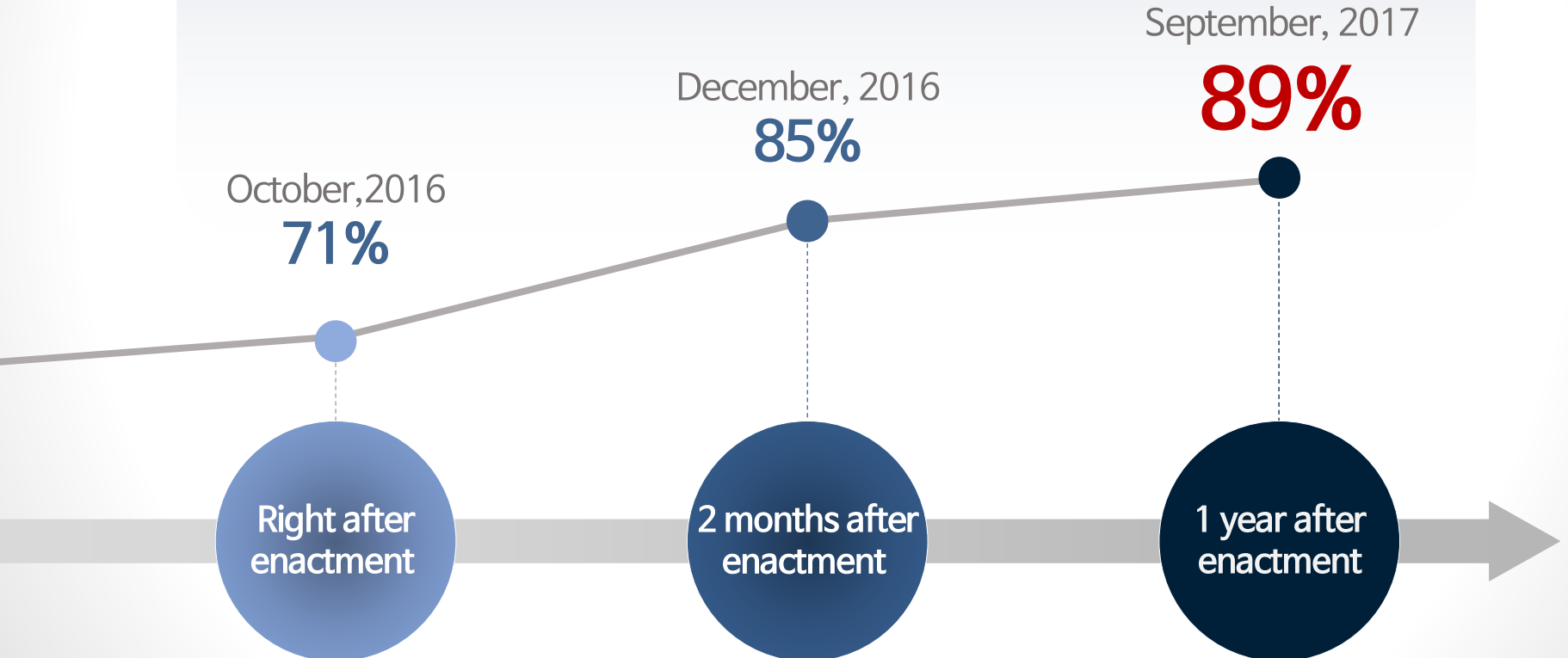
Parents



Teachers

# 5. Stronger Public Support on the Act

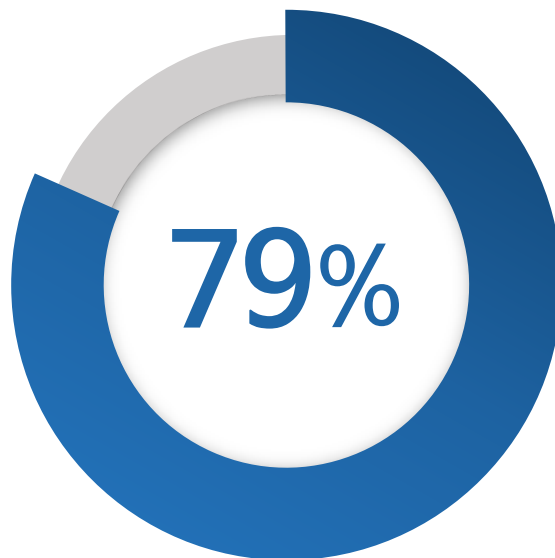
“I am in favor of the Act”



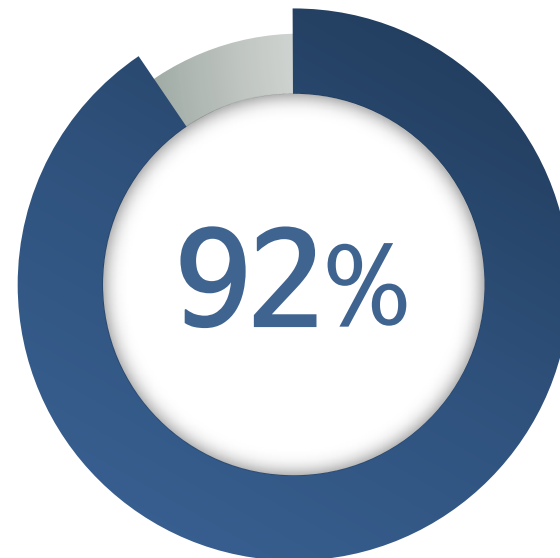


# “Improper Solicitation and Graft Act is effective in addressing corruption”

General Public



Public Officials



# Transparent Korea

will be realized with the people through  
the **Improper Solicitation And Graft Act**



Anti-Corruption &  
Civil Rights Commission