

# **Democratic People's Republic of Korea**

## **Socialist Property Management Law**

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Supreme People's Assembly

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of the Supreme People's Assembly

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Committee of the Supreme People's Assembly

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### **Chapter 1: Fundamentals of the Socialist Property Management Law**

#### **Article 1 (Mission of the Socialist Property Management Law)**

The Socialist Property Management Law of the Democratic People's Republic of Korea establishes systems and order in property management to consolidate and develop socialist ownership, accelerate economic construction, and contribute to improving the material and cultural life of the people.

#### **Article 2 (Principle of Collectivism in Property Management)**

Socialist property is a precious achievement gained through the arduous struggle and creative labor of our people and is the material foundation for the prosperity and development of the country.

The state consolidates the established socialist property management system and ensures that collectivist demands are implemented in property management.

#### **Article 3 (Responsible Parties for Property Management)**

Socialist property management refers to the management of state-owned property and property owned by social cooperative organizations.

State-owned property is managed by institutions, enterprises, and organizations entrusted by the state, while property owned by social cooperative organizations is managed by the respective organizations.

#### **Article 4 (Principle of Combining Guidance and Initiative, and Planning in Property Management)**

Purposeful guidance of socialist property management is a firm guarantee for the development of the socialist economy.

The state strengthens unified guidance over property management, enhances the initiative of institutions, enterprises, and organizations, and ensures planned property management.

#### **Article 5 (Principle of Mass Line in Property Management)**

The owners of socialist property are the masses of the people.

The state ensures that the demands and interests of the people are accurately reflected in property management and that property is managed based on their conscious enthusiasm and creative wisdom.

#### **Article 6 (Principle of Improving Property Management Systems and Methods)**

Scientific and rational management of socialist property is an important requirement in property management.

The state implements the Taaen work system, establishes proper property management systems, and continuously improves property management methods.

#### **Article 7 (Principle of Property Management Based on Accounting and Statistics)**

Socialist property management is based on accounting and statistics.

The state ensures the objectivity and timeliness of accounting and statistics in property management to accurately understand the actual situation and manage property with foresight.

#### **Article 8 (Principle of Modernizing Property Management Tools)**

The state systematically increases investment to improve socialist property management, raises the level of property management work, and modernizes property management tools.

#### **Article 9 (Principle of Scientific Property Management)**

The state strengthens scientific research in the field of socialist property management and actively adopts advanced scientific and technological achievements in property management.

#### **Article 10 (Principle of Mass-Based Property Management)**

Cherishing and loving socialist property is an important task for the prosperity of the country, the people, and future generations, and is a sacred duty of citizens.

The state strengthens socialist patriotic education among the people so that they value, increase, and protect the nation's property.

#### **Article 11 (Scope of Regulation of the Socialist Property Management Law)**

The Socialist Property Management Law of the Democratic People's Republic of Korea regulates the principles, procedures, and methods arising in property management.

Management of property that cannot be registered, evaluated, or inspected is governed by relevant laws and regulations.

## **Chapter 2: Classification of Socialist Property**

### **Article 12 (Basic Requirements for Property Classification)**

Classifying socialist property is a prerequisite for proper property management. The state accurately classifies property to clearly define the scope and division of management.

### **Article 13 (Classification by Ownership Type)**

Socialist property is divided into state property and property of social cooperative organizations according to the form of ownership.

State property includes nationalized property, property created through state investment, property created through self-investment by enterprises, and property transferred to institutions or enterprises by organizations or citizens.

Property of social cooperative organizations includes property transferred from institutions, enterprises, or citizens, and property created through the organization's own investment.

### **Article 14 (Classification by Object)**

Socialist property is divided into natural resources, fixed property, circulating property, and intellectual property according to the characteristics of the object.

Natural resources include land, forests, underground resources, and aquatic resources.

Fixed property includes buildings such as residences, structures, transmission devices, equipment, transportation means, tools and instruments, breeding and draft animals, furnishings, ornamental plants and animals, natural monuments, and cultural relics.

Circulating property includes raw materials, materials, semi-finished products, finished products, goods, precious metals, and currency.

Intellectual property includes works, inventions, patents, trademarks, industrial designs, and geographical indications.

### **Article 15 (Real and Movable Property)**

Socialist property may be classified as real or movable property depending on the case.

## **Chapter 3: Registration, Evaluation, and Inspection of Socialist Property**

### **Article 16 (Basic Requirements for Registration, Evaluation, and Inspection of Property)**

Registration, evaluation, and inspection of socialist property involve recording all property, determining its value, and examining its condition.

Institutions, enterprises, and organizations must register, evaluate, and inspect all property accurately and in a timely manner.

### **Article 17 (Self-Registration and State Registration of Property)**

Registration of socialist property is divided into self-registration and state registration.

Self-registration is conducted by institutions, enterprises, and organizations, while state registration is conducted by the relevant property supervisory agency.

#### **Article 18 (Physical and Monetary Registration of Property)**

When socialist property is created, evaluated, or re-evaluated due to value changes, institutions, enterprises, and organizations must conduct self-registration and, as prescribed, state registration.

Registration is done both physically and monetarily.

Property that cannot be registered monetarily is registered physically only.

#### **Article 19 (Evaluation of Property)**

Evaluation of socialist property is based on its value.

Property evaluation is conducted by relevant agencies, including price-setting institutions and the central bank.

#### **Article 20 (Re-evaluation of Property)**

Re-evaluation of socialist property is conducted when wholesale prices change or other reasons arise.

Re-evaluation is carried out by financial and banking institutions and relevant agencies.

#### **Article 21 (Methods of Property Inspection)**

Institutions, enterprises, and organizations must inspect socialist property within the designated period.

Property inspection is conducted by comparing and verifying the physical quantity and actual condition of natural resources, fixed property, circulating property, and intellectual property against registration records and relevant technical documents.

#### **Article 22 (Types of Property Inspection)**

Socialist property inspections are divided into regular inspections, temporary inspections, and comprehensive inspections.

Regular inspections are conducted monthly, quarterly, or annually.

Temporary inspections are conducted when responsible personnel or property managers change, or when property is transferred.

Comprehensive inspections are conducted to assess the overall state of national property.

#### **Article 23 (Socialist Property Inspection Committee)**

Institutions, enterprises, and organizations must organize a Socialist Property Inspection Committee and conduct inspections as prescribed.

Depending on the object, relevant property supervisory officials participate in the inspection.

Institutions, enterprises, and organizations must report the inspection results to higher-level and relevant agencies in a timely manner.

## **Chapter 4: Protection of Socialist Property**

### **Article 24 (Planned Protection of Property)**

Protecting socialist property is an important requirement to prevent damage, preserve it properly, and increase it.

Institutions, enterprises, and organizations must carry out property protection work in a planned and forward-looking manner according to the characteristics of the property.

### **Article 25 (Means of Preventing Property Damage)**

Institutions, enterprises, and organizations must be equipped with material and technical means such as buildings, structures, equipment, materials, and furnishings necessary to prevent damage to socialist property.

In doing so, they must comply with the technical indicators specified in the relevant plans or designs.

### **Article 26 (Grasping the Technical Management Status of Fixed Property)**

Institutions, enterprises, and organizations must create a service record for the relevant fixed property, regularly understand and grasp the technical engineering requirements and technical management status, and comply with standard operating procedures in the protection and management of fixed property.

### **Article 27 (Preservation of Property)**

Institutions, enterprises, and organizations must apply protection methods suitable to the physical, chemical, and biological characteristics of socialist property to prevent damage such as loss, fire, breakage, oxidation, pollution, decay, and pest infestation, and preserve its quantity and quality.

### **Article 28 (Storage Locations for Property)**

Institutions, enterprises, and organizations must store socialist property in locations that meet technical and safety conditions and must receive or release it as prescribed.

If they possess property belonging to another institution, enterprise, or organization due to reasons such as transport, repair, or borrowing, they must manage it as their own property.

### **Article 29 (Handling of Harmful Substances to Property)**

Institutions, enterprises, and organizations must not arbitrarily release or discard harmful substances that could damage socialist property.

Harmful substances must be refined or removed and discarded or buried at designated locations.

**Article 30 (Notification of Predicted Property Damage)**

Meteorological and hydrological agencies and relevant scientific research institutions must notify the relevant property management agencies if adverse weather, earthquakes, or other conditions that could damage socialist property are predicted.

The notified institutions must promptly take measures to protect the property.

**Article 31 (Maintenance of Fixed Property)**

Institutions, enterprises, and organizations must establish a planned preventive maintenance system for fixed property, adhere to the prescribed maintenance types and cycles, and ensure maintenance deadlines and quality.

**Article 32 (Alteration of Structure or Form of Fixed Property)**

The structure or form of fixed property must not be altered arbitrarily.

If institutions, enterprises, or organizations intend to alter the structure or form of fixed property, they must obtain agreement from the relevant property supervisory agency and approval from the higher-level institution or the Cabinet, depending on the object.

**Article 33 (Protection of Property through Mass Movements)**

Institutions, enterprises, and organizations must regularly operate an “Equipment Inspection and Audit Day” to protect socialist property.

The designation of the “Equipment Inspection and Audit Day” is determined by the Cabinet.

**Article 34 (Limits and Division of Property Protection)**

Institutions, enterprises, and organizations must clearly define the limits and division of responsibility for the protection of socialist property and designate property managers. Property managers must enhance their sense of responsibility in managing the property assigned to them.

**Article 35 (Property Protection Zones)**

To properly protect socialist property, property protection zones are designated according to the object.

The designation of property protection zones is carried out by the relevant institution or the Cabinet.

**Article 36 (Notification of Discovery of Valuable Property)**

Institutions, enterprises, organizations, and citizens must notify the relevant institution if they discover socialist property of national or economic value.

The notified institution must promptly investigate and confirm the property and take protective measures.

**Article 37 (Socialist Property Protection Month)**

The state designates a Socialist Property Protection Month to ensure responsible management of socialist property.

The designation of the Property Protection Month is determined by the Cabinet.

During this month, institutions, enterprises, and organizations must intensively carry out organizational and mobilization work to manage property diligently, and citizens must actively participate in property protection activities as rightful owners.

**Chapter 5: Use of Socialist Property****Article 38 (Basic Requirements for Property Use)**

Use of socialist property refers to the act of utilizing and handling property according to its intended purpose.

Institutions, enterprises, and organizations must use property rationally and effectively in accordance with its mission.

**Article 39 (Improving Property Utilization Rate)**

Institutions, enterprises, and organizations must correctly calculate technical and economic feasibility and adopt advanced technologies and methods to maximize the utilization rate of socialist property.

**Article 40 (Technical and Economic Standards for Property Use)**

State planning agencies and relevant institutions must scientifically establish technical and economic standards related to the use of socialist property and continuously update them to meet the demands of real development.

Institutions, enterprises, and organizations must strictly observe the established technical and economic standards.

**Article 41 (Renovation and Renewal of Fixed Property)**

Institutions, enterprises, and organizations must renovate fixed property to be more efficient in line with the demands of modernization and scientific advancement of the national economy, and renew it in a planned manner.

The task of determining the service life of fixed property is carried out by the relevant institution or the Cabinet.

**Article 42 (Inspection of Fixed Property)**

Newly created or repaired fixed property must be inspected before it can be used.

Inspection of newly created or repaired fixed property is conducted by the relevant property supervisory agency, depending on the object.

**Article 43 (Change of Use of Fixed Property)**

The use of fixed property cannot be changed arbitrarily.

If institutions, enterprises, or organizations intend to change the use of fixed property, they must obtain agreement from the relevant property supervisory agency and approval from the higher-level institution, depending on the object.

#### **Article 44 (Application of Economic Levers in Property Management)**

Institutions, enterprises, and organizations must apply economic levers such as prices, costs, labor compensation, and penalties correctly in property management to ensure accurate accounting and stimulate and promote property management.

#### **Article 45 (Credit Guarantee System)**

The state implements a credit guarantee system for property to ensure the use of quality-assured socialist property.

The task of determining the subject and duration of credit guarantees is carried out by the relevant central property management guidance agency or the Cabinet.

#### **Article 46 (Division and Allocation of Property)**

Institutions, enterprises, and organizations must define the scope of use of the socialist property they manage and divide and allocate it effectively.

Property may be reallocated if necessary.

The task of reallocating property is carried out by the relevant property management guidance agency, property supervisory agency, or the Cabinet, depending on the object.

#### **Article 47 (Mobilized Use of Property)**

Institutions, enterprises, and organizations must mobilize and use the socialist property they manage to the fullest extent.

Property must not be left idle or unused without approval.

#### **Article 48 (Leasing of Property)**

Socialist property may be leased to other institutions, enterprises, or organizations with the approval of the higher-level institution.

In such cases, a contract must be concluded with the borrowing unit, and rent is charged depending on the object.

#### **Article 49 (Saving of Property)**

Institutions, enterprises, and organizations must assign saving tasks and cost-reduction plans related to the use of socialist property to lower-level units such as workplaces and work teams, and employees, and must promptly assess and evaluate their implementation.

#### **Article 50 (Reuse of By-products, Waste, and Old Materials)**

Institutions, enterprises, and organizations must maximize the reuse of by-products, waste, and old materials.



**Article 51 (Depreciation System)**

The state applies a depreciation system for productive fixed property to systematically secure funds needed to maintain and renew fixed property and to encourage rational use of productive fixed property.

**Chapter 6: Disposal of Socialist Property****Article 52 (Standards for Property Disposal)**

Disposal of socialist property refers to the sale, transfer, or discarding of property. Institutions, enterprises, and organizations must dispose of property according to state plans and contracts, decisions or instructions from relevant state agencies, or decisions of organizations.

**Article 53 (Disposal of Products)**

Institutions, enterprises, and organizations must supply or sell products through material trading companies, sales companies, or commercial and grain agencies and enterprises. However, some products may be disposed of separately as prescribed.

**Article 54 (Transfer of Fixed Property)**

Institutions, enterprises, and organizations may transfer surplus or idle fixed property to other institutions, enterprises, or organizations.

In such cases, depending on the object and value, they must obtain agreement from the relevant property supervisory agency and approval from the higher-level institution or the Cabinet.

Property management guidance agencies must regularly identify transferable property and take measures to transfer it to the relevant units.

**Article 55 (Payment for Transferred Fixed Property)**

When fixed property is transferred between institutions or enterprises, payment is required. However, in certain prescribed cases, payment may be waived.

When institutions or enterprises transfer fixed property to organizations, or when organizations transfer it to institutions, enterprises, or other organizations, payment is required.

**Article 56 (Export of Property)**

Institutions, enterprises, and organizations may export socialist property to other countries.

In such cases, depending on the object and value, they must obtain agreement from the relevant property supervisory agency and approval from the higher-level institution or the Cabinet.

**Article 57 (Disposal of Ownerless or Confiscated Property)**

Ownerless or confiscated property is handed over to the relevant institution for disposal. The relevant institution must dispose of the property as prescribed and remit any proceeds to the state budget.

**Article 58 (Discarding of Property)**

When fixed property becomes unusable, institutions, enterprises, and organizations must discard it and remove it from the register.

In such cases, depending on the object and value, they must obtain agreement from the relevant property supervisory agency and approval from the higher-level institution or the Cabinet.

**Chapter 7: Guidance and Control over Socialist Property Management Work****Article 59 (Basic Requirements for Guidance and Control over Property Management Work)**

Strengthening guidance and control over socialist property management work is an important guarantee for enhancing responsibility and roles in property management, preventing damage, and normalizing property management at a high level.

The state strengthens guidance and control over property management work.

**Article 60 (Unified Guidance over Property Management Work)**

Unified guidance over socialist property management work is carried out by the Cabinet.

The Cabinet must establish a proper guidance system for property management and grasp and guide property management work in a regular manner.

**Article 61 (Duties of Property Management Guidance Agencies)**

Property management guidance agencies must guide institutions, enterprises, and organizations to manage socialist property diligently.

**Article 62 (Provision of Conditions for Property Management)**

State planning agencies, labor administration agencies, material supply agencies, and financial and banking institutions must provide the labor, equipment, materials, and funds necessary for socialist property management in a timely manner.

**Article 63 (Supervision and Control over Property Management Work)**

Supervision and control over socialist property management work are conducted by property management guidance agencies and relevant supervisory and control agencies. These agencies must strengthen supervision and control to establish order in property management.

**Article 64 (Restoration and Compensation)**

If socialist property is destroyed, damaged, wasted, or lost, it must be restored to its original state or appropriate compensation must be made.

**Article 65 (Administrative or Criminal Liability)**

If a violation of the order of socialist property management causes serious consequences, the responsible officials of the institution, enterprise, or organization, and individual citizens, shall bear administrative or criminal liability depending on the circumstances.