

Democratic People's Republic of Korea

Price Law

Adopted on July 29, Juche 86 (1997) by Decision No. 81 of the Standing Committee of the Supreme People's Assembly

Amended on February 26, Juche 88 (1999) by Decree No. 483 of the Standing Committee of the Supreme People's Assembly

Amended on August 19, Juche 92 (2003) by Decree No. 955 of the Standing Committee of the Supreme People's Assembly

Revised and supplemented on May 22, Juche 97 (2008) by Decree No. 3768 of the Standing Committee of the Supreme People's Assembly

Revised and supplemented on March 22, Juche 100 (2011) by Decree No. 1480 of the Standing Committee of the Supreme People's Assembly

Revised and supplemented on March 20, Juche 108 (2019) by Decree No. 2650 of the Standing Committee of the Supreme People's Assembly

Revised and supplemented on January 1, Juche 111 (2022) by Decree No. 877 of the Standing Committee of the Supreme People's Assembly

Revised and supplemented on August 29, Juche 112 (2023) by Decree No. 1379 of the Standing Committee of the Supreme People's Assembly

Chapter 1: Fundamentals of the Price Law

Article 1 (Mission of the Price Law)

The Price Law of the Democratic People's Republic of Korea strictly establishes discipline and order in the formulation, registration, application, and adjustment of prices to rationally manage and operate the socialist economy and contribute to improving the people's livelihood.

Article 2 (Types of Prices)

In the Democratic People's Republic of Korea, prices are planned prices formulated and applied under the unified guidance of the state.

Types of prices include basic types such as wholesale prices, retail prices, purchase prices, freight charges, and service fees, as well as some supplementary prices.

The state may introduce or abolish types of prices according to the needs of national economic development.

Article 3 (Principle of Accurate Implementation of Price Policy)

In the Democratic People's Republic of Korea, prices are an important means to guarantee

the people's independent and creative lives.

The state accurately implements price policy to ensure that more benefits are returned to the people.

Article 4 (Principle of Price Unification)

Unifying prices is an essential requirement of the socialist system.

The state ensures the uniqueness of price work under the unified guidance of the central price guidance agency.

Article 5 (Principle of Price Management)

Price management is a social command function that rationally adjusts prices according to specific economic objectives.

The state realizes unified guidance over price formulation and application and responsibly carries out price adjustments in accordance with economic laws.

Article 6 (Principle of Establishing a Price Management Information System)

A national price management information system is an important means to ensure the scientific and timely nature of price work.

The state establishes a nationwide price management information system and informatizes price work.

Article 7 (Principle of Strengthening Scientific Research and Talent Development)

The state strengthens scientific research to develop price work and pays deep attention to training price personnel to foster capable talents with prospects.

Article 8 (Scope of Application of the Law)

This law applies to all institutions, enterprises, organizations, and citizens.

Matters not regulated by this law, such as trade price work and price work in special economic zones, are governed by relevant laws and regulations.

Chapter 2: Price Formulation

Article 9 (Basic Requirements for Price Formulation)

Proper price formulation is a very important issue in economic management that upholds socialist principles and directly affects the people's interests and public sentiment.

State price agencies, institutions, enterprises, and organizations must formulate prices correctly in accordance with the basic socialist economic laws and the law of value, to stimulate national economic development and improvement of the people's livelihood, and to enable efficient business management.

Article 10 (Authority to Formulate Prices)

Price formulation is carried out by state price agencies and relevant institutions,

enterprises, and organizations.

They must formulate prices according to the price formulation index list.

Article 11 (Preparation and Issuance of the Price Formulation Index List)

The central price guidance agency must prepare and issue the price formulation index list in a timely manner.

The list must clearly define the authority and responsibility limits of the state price agency and other institutions, enterprises, and organizations.

Article 12 (Methods of Price Formulation)

The state price agency must determine standard prices, base prices, and allowable limits by balancing indicators and sectors.

Institutions, enterprises, and organizations must formulate prices based on base prices and allowable limits, either independently or in agreement with consumers, or according to the principles, methods, and procedures set by the central price guidance agency.

Article 13 (Prices of Newly Produced Products)

Prices of newly produced products are set by institutions, enterprises, and organizations. In special cases, the state price agency may set them.

For some newly produced products, a temporary price is set first, and once the product's utility is confirmed, the price is re-determined.

Article 14 (Domestic Prices of Import and Export Goods)

Domestic prices of import and export goods are set by the state price agency and relevant institutions, enterprises, and organizations.

They must ensure that the domestic prices of import and export goods maintain the stability and firmness of other product prices.

Article 15 (Prices in Foreign Service Sectors and for Certain Products Produced by Foreign-Invested Enterprises)

Prices in foreign service sectors and for certain products produced by foreign-invested enterprises and sold through domestic commercial networks are set by the state price agency and relevant institutions, enterprises, and organizations.

Article 16 (Submission of Price Formulation Application Documents)

Institutions, enterprises, and organizations seeking price formulation must prepare and submit application documents to the relevant state price agency. Technical and economic data and other necessary materials must be attached.

The format of the application documents is determined by the central price guidance agency.

Article 17 (Processing of Price Formulation Applications)

The state price agency must review and approve or reject the application within 10 days and notify the relevant institution, enterprise, or organization. In special cases, the processing period may be extended.

Article 18 (Price Evaluation of Overstocked, Defective, and Discarded Goods)

Price evaluation of overstocked goods, defective goods, and discarded property is conducted by the relevant price evaluation committee.

Article 19 (Reformulation of Prices)

The comprehensive or partial reformulation of prices at a certain stage of national economic development is carried out by the central price guidance agency under the leadership of the Cabinet.

Chapter 3: Price Registration**Article 20 (Basic Requirements for Price Registration)**

Price registration is an important task to strengthen the state's unified guidance over price work.

Institutions, enterprises, and organizations must register prices they have set independently or in agreement with consumers with the state price agency.

Article 21 (Price Registration Agency)

Price registration is carried out by the state price agency. In special cases, relevant institutions may do so as determined by the central price guidance agency.

The state price agency must register prices in a timely manner.

Article 22 (Agency Determining Registration Procedures and Methods)

The procedures and methods for price registration are determined by the central price guidance agency.

The agency must improve these procedures and methods to meet practical needs.

Article 23 (Conditions for Price Registration Applications)

Institutions, enterprises, and organizations must apply for price registration under conditions where they have obtained production and business permits, specifications, product trademark approvals, etc. In special cases, applications may be made without such approvals.

If there are changes in the application content, such as price level fluctuations or changes in affiliation, a new price registration application must be submitted.

Article 24 (Submission of Price Registration Application Documents)

Institutions, enterprises, and organizations must prepare and submit price registration

application documents to the relevant state price agency.

The format of the application documents is determined by the central price guidance agency.

Article 25 (Price Registration)

The state price agency must verify the contents of the application documents and register them in the price registration ledger.

Article 26 (Re-registration of Prices)

Institutions, enterprises, and organizations must re-register with the relevant state price agency if the registration period has expired or if they wish to change the registered price.

Chapter 4: Application of Prices

Article 27 (Basic Requirements for Price Application)

Proper application of prices is one of the fundamental methods for accurately implementing price policy and for the scientific and rational conduct of production and business activities.

The state price agency must properly establish the methods and procedures for price application and ensure they are strictly followed.

Article 28 (Agency Determining Methods, Procedures, and Subjects of Price Application)

The methods, procedures, and subjects of price application determined by the state price agency and institutions, enterprises, and organizations are set by the central price guidance agency.

Article 29 (Evaluation of National Economic Plan Performance Based on Prices)

When formulating or evaluating the performance of the national economic plan, the state planning agency, financial and banking institutions, and statistical agencies must apply the formulated or registered prices.

Performance not evaluated using the formulated or registered prices is not recognized.

Article 30 (Application of Prices by Indicator)

Institutions, enterprises, and organizations must apply the prices formulated by the state price agency or registered with the relevant state price agency. In such cases, prices must not be applied higher or lower than the formulated or registered prices.

According to the determination of the central price guidance agency, institutions, enterprises, and organizations may apply self-determined prices without registering them with the state price agency.

Article 31 (Payment of Revenue and Compensation for Losses Due to Price Differences)

Revenue generated from price differences caused by national measures is paid into the state budget, and losses may be compensated from the state budget.

Relevant institutions, enterprises, and organizations must accurately calculate the payments or compensation.

Article 32 (Approval for Price Application)

When institutions, enterprises, and organizations first produce a product for which the price has been set by the state price agency, they must obtain approval for its application from the relevant state price agency.

Article 33 (Posting of Price Tags)

Institutions, enterprises, and organizations must post price tags certified by the state price agency at the relevant product or service location.

The format, content, and posting method of price tags are determined by the central price guidance agency.

It is prohibited to sell or provide services without posting price tags or to sell or provide services at prices different from those indicated on the price tags.

Chapter 5: Price Adjustment

Article 34 (Basic Requirements for Price Adjustment)

Price adjustment is the work of guiding the overall price level in the direction intended by the state so that the price space can promote economic construction and improvement of the people's livelihood.

The central price guidance agency must rationally adjust overall prices by effectively utilizing the price space to ensure the planned and sustainable development of the national economy.

Article 35 (Objectives of Price Adjustment)

Stabilizing the overall national price level is the objective of price adjustment.

The central price guidance agency must set price adjustment objectives based on domestic production prices and international market prices of major products.

Article 36 (Price Surveys)

The state price agency must regularly conduct price surveys for price management.

Institutions, enterprises, and organizations must provide the data required by the state price agency for price surveys.

Article 37 (Analysis and Forecasting of Price Data)

The central price guidance agency must scientifically analyze, by indicator, the factors

affecting price fluctuations—such as changes in the value and value forms of products, the relationship between supply and demand, and currency value changes—and forecast price trends.

The central price guidance agency must actively use modern information tools and analytical methods in the analysis and forecasting of price data.

Article 38 (Adjustment of Price Levels)

The central price guidance agency must adjust price levels by actively utilizing economic and technical methods and means in close coordination with relevant sectors such as planning, finance, and banking.

Chapter 6: Guidance and Control over Price Work

Article 39 (Basic Requirements for Guidance and Control over Price Work)

Strengthening guidance and control over price work is an essential requirement for consolidating and developing the socialist price system.

The state enhances the role of price agencies and strengthens the uniqueness and control of price work.

Article 40 (Guidance over Price Work)

Guidance over price work is carried out by the central price guidance agency under the unified leadership of the Cabinet.

The central price guidance agency must establish a proper price work system and grasp and guide the price work of local price agencies and relevant institutions to ensure accurate implementation of the state's price policy.

Article 41 (Provision of Conditions for Price Work)

State planning agencies, financial and banking institutions, labor administration agencies, statistical agencies, and relevant institutions, enterprises, and organizations must provide the necessary funds, labor, equipment, and data for price formulation, registration, application, and adjustment.

Article 42 (Organization and Operation of Ad Hoc Price Review Committees)

To accurately implement the state's price policy, ad hoc price review committees are established in provincial (directly governed cities), city (district), and county people's committees.

These committees must be operated regularly and effectively by the respective people's committees.

Article 43 (Agreement and Approval for Price Formulation and Application)

Institutions, enterprises, and organizations must obtain agreement or approval from the relevant price agency for matters related to price formulation and application.

Prices cannot be formulated or applied without the agreement or approval of the relevant price agency.

Article 44 (Supervision and Control over Price Work)

Supervision and control over price work are conducted by the state price agency and relevant supervisory and control agencies.

They must regularly supervise and control institutions, enterprises, organizations, and citizens to ensure compliance with the order of price formulation, registration, and application.

Article 45 (Civil Liability)

If a violation of this law causes property damage, the responsible party shall bear civil liability such as compensation for damages, penalties, and late fees.

Article 46 (Fines)

In the following cases, fines are imposed on the relevant institutions, enterprises, organizations, and citizens:

1. If sales or services are conducted without price formulation or registration:
 - Institutions, enterprises, organizations: 200,000 to 1,500,000 won
 - Citizens: 20,000 to 100,000 won
2. If sales or services are conducted in violation of formulated or registered prices: 10 times the relevant price
3. If sales or services are conducted without posting certified price tags: 10 times the relevant price
4. If sales or services are conducted without approval for price application:
 - Institutions, enterprises, organizations: 100,000 to 800,000 won
5. If price-related documents are forged:
 - Institutions, enterprises, organizations: 1,500,000 won
 - Citizens: 100,000 won

Article 47 (Suspension Penalty)

If the violations in Article 46 are not corrected despite demands from the relevant supervisory agency, the business activities may be suspended, and in serious cases, the business may be closed.

Article 48 (Confiscation Penalty)

If this law is violated, money and goods used in or obtained through the illegal act shall be confiscated.

Article 49 (Warnings, Severe Warnings, Unpaid Labor, Labor Re-education, Demotion, Dismissal, Removal)

In the following cases, the responsible person may be subject to a warning, severe warning, or punishment of unpaid labor for up to 3 months, labor re-education, demotion, dismissal, or removal:

1. Failure to properly conduct price formulation according to principles, methods, and procedures
2. Falsification or submission of false price formulation and registration application documents
3. Sales or services conducted without price formulation or registration
4. Sales or services conducted in violation of formulated or registered prices
5. Failure to conduct planning, finance, banking, or statistical calculations using formulated or registered prices
6. Sales or services conducted without approval for price application
7. Sales or services conducted without posting certified price tags
8. Failure to properly conduct price surveys, analysis, or forecasting, or failure to provide necessary data, thereby hindering price adjustment work
9. Irresponsible guidance or control over price work, or interference with price management, causing disorder in price work
10. Failure to properly provide conditions for price formulation, registration, application, and adjustment, thereby hindering price work

If any of the above acts are repeated or cause property damage of about 20,000 won, the responsible person may be subject to unpaid labor for more than 3 months, labor re-education, demotion, dismissal, or removal.

Article 50 (Criminal Liability)

If a violation of this law constitutes a crime, the responsible person shall be subject to criminal liability under the relevant provisions of the Criminal Law.