

Democratic People's Republic of Korea

State Budget Revenue Law

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Chapter 1: Fundamentals of the State Budget Revenue Law

Article 1 (Mission of the State Budget Revenue Law)

The State Budget Revenue Law of the Democratic People's Republic of Korea strictly establishes systems and order in the registration of state budget payment data, payment of the state budget, and management of state budget payment documents, contributing to the smooth provision of funds necessary for state administration and socialist construction.

Article 2 (Definition and Composition of State Budget Revenue)

State budget revenue is monetary funds concentrated in the hands of the state. It consists of transaction income, state enterprise profits, cooperative organization profits, depreciation funds, real estate usage fees, social insurance fees, income from property sales and price differences, collections, and other income.

Article 3 (Sources and Classification of State Budget Revenue)

State budget revenue is primarily sourced from net social income generated by institutions, enterprises, and organizations operating under the independent accounting system, semi-independent accounting system, or budget system.

It is classified into central budget revenue and local budget revenue.

Central budget revenue comes from payments by institutions, enterprises, and organizations under the central budget; local budget revenue comes from those under the local budget.

Article 4 (Principle of Registering State Budget Payment Data)

Registering state budget payment data is the first step in the state budget revenue process. The state properly establishes the registration procedures and ensures strict compliance.

Article 5 (Principle of Increasing State Budget Revenue)

Increasing production and practicing thrift are fundamental methods for increasing state budget revenue.

The state vigorously promotes production and thrift to continuously increase budget revenue.

Article 6 (Principle of Budget Payment Obligation)

Conscious participation in state budget payment is a sacred duty of institutions,

enterprises, and organizations.

The state ensures that they faithfully fulfill this obligation.

Article 7 (Principle of Guaranteeing Legal Rights and Interests)

The state guarantees the legal rights and interests of institutions, enterprises, organizations, and citizens in state budget revenue.

No burdens outside of state budget payments may be imposed on them.

Article 8 (Principle of Informatization of Budget Management)

Informatization of budget management is an important task to improve state budget revenue work in line with the demands of the times.

The state establishes a real-time information system for budget management and realizes informatization at a high level.

Article 9 (Qualifications of Budget Revenue Personnel)

The state strengthens the ranks of budget revenue personnel and enhances their responsibility and role.

Only those with appropriate qualifications may serve in this field.

Article 10 (Guidance over Budget Revenue Work)

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

This agency must establish a proper guidance system and continuously improve its methods.

Financial institutions organize and oversee the budget payment work of institutions, enterprises, and organizations in their jurisdiction, and the latter must resolve issues in consultation with the relevant financial institution.

Article 11 (Supervision and Control over Budget Revenue Work)

Supervision and control over budget revenue work are conducted by the relevant financial and supervisory institutions.

They must strictly supervise and control budget revenue work.

Article 12 (Scope of Application of the Law)

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

Matters not regulated by this law are governed by relevant laws and regulations.

Chapter 2: Registration of State Budget Payment Data

Article 13 (Basic Requirements for Registration of State Budget Payment Data)

Proper registration of state budget payment data is an essential requirement for state budget payment.

Institutions, enterprises, and organizations engaged in production and service activities must accurately and promptly register state budget payment data—such as total income plans, cost plans, state budget payment plans, and bank account numbers—with the relevant financial institution.

Article 14 (Submission of State Budget Payment Data)

Institutions, enterprises, and organizations must prepare state budget payment data in document form and submit it to the relevant financial institution within the prescribed period.

If an institution, enterprise, or organization is affiliated with a different region but conducts production or service activities elsewhere, it must submit the state budget payment data to the financial institution of that region.

Those required to receive a state budget payment registration certificate must also submit an application document for its issuance.

Article 15 (Registration of State Budget Payment Data)

The relevant financial institution must verify and register the state budget payment data submitted by institutions, enterprises, and organizations. In this process, it may request necessary data from them.

Institutions, enterprises, and organizations must promptly provide the data requested by the financial institution.

Article 16 (Re-registration of Changed State Budget Payment Data)

If the registered state budget payment data changes, institutions, enterprises, and organizations must prepare the changed data in document form and submit it to the relevant financial institution within five days.

The financial institution must verify and re-register the changed data.

Article 17 (Issuance of State Budget Payment Registration Certificate)

Upon receiving the application documents for the state budget payment registration certificate, the financial institution must verify the documents and data, register them in the state budget payment registration ledger, and issue the certificate.

The format of the certificate is determined by the central financial guidance agency.

Institutions, enterprises, and organizations that receive the certificate must pay the prescribed fee.

Article 18 (Reissuance of State Budget Payment Registration Certificate)

If an institution, enterprise, or organization changes affiliation, damages, or loses the certificate, it must apply for reissuance.

Article 19 (Prohibition of Forgery and Sale of Registration Certificates)

Institutions, enterprises, and organizations must not forge or buy/sell state budget payment registration certificates.

Article 20 (Endorsement of Vouchers)

Institutions, enterprises, and organizations must obtain endorsement from the relevant financial institution for vouchers, fine notices, and similar documents.

Vouchers and fine notices without such endorsement may not be used.

Article 21 (Reporting of Total Income and Budget Payment Contribution Amount)

Institutions, enterprises, and organizations must accurately report their total income and the amount contributed to state budget payment to the relevant institution.

False reporting of total income or contribution amount is prohibited.

Chapter 3: Payment of the State Budget**Section 1: Transaction Income****Article 22 (Definition and Subjects of Transaction Income)**

Transaction income is the fund mobilized into the state budget from a portion of the net social income included in the price of consumer goods and a portion of the net income included in service fees.

Institutions, enterprises, and organizations must pay a portion of their consumer goods sales income or service fee income as transaction income into the state budget.

Article 23 (Method of Calculating Transaction Income)

Transaction income is calculated by applying a prescribed rate to the consumer goods sales income or service fee income.

Article 24 (Method of Calculating Sales and Service Fee Income)

Institutions, enterprises, and organizations must accurately calculate consumer goods sales income and service fee income.

These are calculated based on the selling price or the fee received for the service provided, as prescribed.

Article 25 (Establishment of Transaction Income Rates)

Transaction income rates are determined by the central financial guidance authority.

The central financial guidance authority must reasonably set transaction income rates according to the characteristics of each sector and subject.

Article 26 (Payment of Transaction Income)

Institutions, enterprises, and organizations must pay transaction income into the state budget in a timely manner according to their budget affiliation.

The relevant financial institution must properly understand the status of transaction income payments and ensure they are made.

Section 2: State Enterprise and Cooperative Organization Profits

Article 27 (Definition and Subjects of State Enterprise and Cooperative Organization Profits)

These profits are funds mobilized into the state budget from a portion of the income generated by institutions, enterprises, and organizations.

They must pay a portion of their income into the state budget as either state enterprise profits or cooperative organization profits, depending on the ownership form.

Article 28 (Method of Calculating Profits)

The calculation is based on sector-specific payment rates set by the central financial guidance authority.

Article 29 (Method of Calculating Income)

Institutions, enterprises, and organizations must accurately calculate income from product sales, construction and assembly work, major repairs, surcharges, and service fees.

- Product sales income is based on the selling price.
- Construction and major repair work is based on the design budget price.
- Surcharges are based on the difference between purchase and selling prices.
- Service fees are based on the fee received for the service provided.

Article 30 (Regular Payment of Profits)

Regular payments are made each time income is generated, based on the proportion of planned profits in the income plan, or within the deadline set by the financial institution. Different payment rates may be applied depending on the subject, as determined by the central financial guidance authority.

Article 31 (Final Payment of Profits)

Final payments must be made by the 10th of the following month based on the previous month's income.

Unpaid amounts must be paid within 5 days. Overpaid amounts are either refunded or deducted from the next month's payment.

Article 32 (Payment of Local Maintenance Funds)

Institutions, enterprises, and organizations not affiliated with city (district) or county budgets must pay local maintenance funds to the respective financial institution within the

prescribed period.

These funds must be included under the state enterprise profit category.

Article 33 (Preferential Treatment in State Budget Payments)

The central financial guidance authority must reduce or exempt state budget payments for institutions, enterprises, and organizations that are nationally prioritized.

Article 34 (Handling of Budget Payments upon Merger or Separation)

In the event of a merger or separation, institutions, enterprises, and organizations must conduct an accounting audit and pay the state budget dues within 15 days according to their budget affiliation.

Section 3: Depreciation Funds

Article 35 (Definition and Subjects of Depreciation Funds)

Depreciation funds are amounts recovered by including the depreciated value of fixed assets in the production cost.

They are paid for productive fixed assets established through state investment.

Article 36 (Exemptions from Depreciation Fund Payments)

Fixed assets exempt from depreciation fund payments include:

1. Non-productive fixed assets
2. Productive fixed assets established with self-funding
3. Other fixed assets approved for exemption

Article 37 (Method of Calculating Depreciation Funds)

Depreciation is calculated by applying a prescribed rate to the initial price of fixed assets by type.

A fixed amount method may be applied if necessary.

Article 38 (Composition and Accumulation Scale of Depreciation Funds)

Depreciation funds are divided into compensation for the initial price and compensation for major repairs.

The accumulation scale is determined by the amount to be recovered annually over the asset's useful life.

Article 39 (Payment of Depreciation Funds)

Institutions, enterprises, and organizations must pay depreciation funds within the prescribed period.

For assets whose initial price has been compensated, only the major repair portion is paid.

Section 4: Real Estate Usage Fees

Article 40 (Definition and Subjects of Real Estate Usage Fees)

These are funds paid into the state budget for the use of state-owned real estate, including land, buildings, and resources.

Article 41 (Composition of Real Estate Usage Fees)

Includes agricultural land usage fees, site usage fees, building usage fees, fishing ground usage fees, aquaculture resource site usage fees, road usage fees, resource usage fees, and other real estate usage fees.

Article 42 (Exemptions from Real Estate Usage Fees)

Exemptions include:

1. Agricultural land used for breeding by agricultural science research institutions and universities
2. Newly reclaimed agricultural land within 3 years
3. Agricultural land lost or buried due to natural disasters
4. Standard residential land owned by the state or cooperatives
5. Land for railway operation facilities
6. Production buildings constructed with self-funding
7. Other approved exemptions

Article 43 (Method of Calculating Real Estate Usage Fees)

Calculated based on the price or area of the real estate used, applying the prescribed standards.

Article 44 (Payment of Real Estate Usage Fees)

Institutions, enterprises, and organizations must pay within the prescribed period to the relevant financial institution.

Illegal handling of these fees is prohibited.

Section 5: Social Insurance Premiums

Article 45 (Definition and Subjects of Social Insurance Premiums)

These are funds mobilized into the state budget to protect workers' health and support those who have lost working ability or are elderly.

They are paid from workers' wage funds.

Article 46 (Exemptions from Social Insurance Premiums)

Exemptions include:

1. Pensions and subsidies received by national social insurance and social security recipients
2. Wage funds for non-regular workers
3. Other approved exemptions

Article 47 (Method of Calculating Social Insurance Premiums)

Calculated by applying a prescribed rate to the monthly wage amount.

Article 48 (Rate of Social Insurance Premiums)

Set at 1% of the monthly wage amount.

Foreign-invested enterprises follow separately prescribed standards.

Article 49 (Payment of Social Insurance Premiums)

Institutions, enterprises, and organizations must pay on the day they receive wage funds or profit distributions from the bank.

Farms do not pay but accumulate their own social insurance funds.

Section 6: Property Sales and Price Difference Income

Article 50 (Definition and Composition)

These are funds mobilized into the state budget from:

- Sales of state-owned property
- Price difference income not related to production or business activities
- Income from foreign economic relations
Includes property sales income, price difference income, trade price difference income, and loan/deferred payment income.

Article 51 (Payment of Property Sales Income)

Institutions, enterprises, and organizations must pay income from sales of state-owned property (e.g., packaging containers, equipment, fixtures) into the state budget within 7 days.

Income from sales of self-funded property may be retained.

Article 52 (Payment of Price Difference Income)

If price difference income arises due to national or regional price changes, it must be paid into the state budget promptly.

- For finished goods or commodities: paid as sales income is generated
 - For circulating assets: paid within 30 days of the price change
- Losses from price changes may be compensated from the state budget.

Article 53 (Payment of Trade Price Difference Income)

Institutions, enterprises, and organizations must pay trade price difference income generated during trade activities into the state budget.

Calculated by offsetting gains and losses from price differences between import and export goods.

Article 54 (Payment of Loan and Deferred Payment Income)

Institutions, enterprises, and organizations must pay income from sales of goods imported via loans or deferred payments at prices set by the pricing authority, including surcharges, into the state budget within 30 days.

If foreign currency is received via loans, it must be deposited into the designated foreign exchange bank and converted into Korean won at the exchange rate within 7 days.

Article 55 (Payment of Dividend Income)

The DPRK party in joint ventures must pay a portion of dividend income into the state budget.

- Foreign currency dividends: paid in Korean won at the exchange rate
- Material dividends: paid as a portion of product sales income

Section 7: Collection of Funds

Article 56 (Definition of Collection of Funds)

Collection of funds refers to money mobilized into the state budget from a portion of the income generated by institutions, enterprises, organizations, and citizens designated by the central financial guidance authority.

Article 57 (Composition of Collection of Funds)

Collection of funds includes transaction funds, enterprise income funds, real estate usage charges, property usage charges, business license fees, and similar items.

Article 58 (Payment of Collection of Funds)

Relevant institutions, enterprises, organizations, and citizens must pay the collected funds into the local budget.

The procedures, methods, rates, and amounts for payment are determined by the central financial guidance authority.

Section 8: Other Income

Article 59 (Definition and Composition of Other Income)

Other income refers to funds mobilized into the state budget from income not related to production or business activities, income generated in the course of performing regulatory functions, and other such income.

This includes income from mobilized unpaid labor, state fees, customs duties, fines and confiscated goods, expired debt income, property insurance premiums, and taxes from foreign-invested enterprises and foreigners.

Article 60 (Payment of Income from Mobilized Unpaid Labor)

Institutions, enterprises, and organizations that received labor paid from the state budget must pay the equivalent labor compensation portion into the state budget within the prescribed period.

Article 61 (Payment of State Fees and Customs Duties)

Relevant institutions must pay state fees received during operations, and customs offices must pay customs duties levied on goods crossing customs borders into the state budget within 10 days.

Article 62 (Payment of Fines and Confiscated Goods Income)

Supervisory and regulatory agencies must pay fines imposed for illegal acts and income from the disposal of confiscated goods into the state budget within 10 days.

Article 63 (Payment of Expired Debt Income)

Institutions, enterprises, and organizations must pay debts for which no claim has been made by the creditor within 5 days from the date the statute of limitations expires.

Article 64 (Payment of Property Insurance Premiums)

Insurance institutions must pay the remaining funds from annual property insurance premiums received from institutions, enterprises, and organizations—after deducting compensation payments—into the state budget by January of the following year.

Article 65 (Payment of Taxes by Foreign-Invested Enterprises and Foreigners)

Taxes from foreign-invested enterprises and foreigners conducting economic transactions or earning income within the territory of the Republic are governed by the Law on Taxes for Foreign-Invested Enterprises and Foreigners of the Democratic People's Republic of Korea.

Article 66 (Payment of Late Fees)

Relevant institutions must pay late fees imposed on institutions, enterprises, and organizations that failed to fulfill obligations on time, including delays in payment or refund deadlines, into the state budget within 10 days.

Section 9: Income from Special Economic Zones

Article 67 (Definition and Composition of Special Economic Zone Income)

Special economic zone income refers to funds mobilized into the state budget from a portion of the income generated by institutions, enterprises, and organizations within special economic zones during production and business activities, and other such income. This includes income from the Rason Economic and Trade Zone and economic development zones.

Article 68 (Payment of Special Economic Zone Income)

Institutions, enterprises, and organizations in special economic zones must pay the generated income into the state budget monthly. The calculation, regular payment, and final payment of state budget contributions by these entities are governed by relevant laws and regulations.

Chapter 4: Management of State Budget Payment Documents

Article 69 (Basic Requirements for Managing State Budget Payment Documents)

Managing state budget payment documents is an important task involving the recording, calculation, and storage of materials related to state budget payments. Financial institutions and relevant entities must responsibly manage documents used in state budget payment operations.

Article 70 (Keeping and Recording of Ledgers)

Financial institutions and relevant entities must maintain prescribed ledgers and accurately record fund usage and total income. These records must be based on accounting reports or primary documents from subordinate units.

Article 71 (Settlement of State Budget Payments)

Settlement of state budget payments is done cumulatively from the beginning of the year. Settlements are conducted quarterly and annually.

Article 72 (Submission of State Budget Income Settlement Reports)

Institutions, enterprises, and organizations must prepare and submit monthly finalized state budget payment reports to the relevant financial institution within the prescribed period. The financial institution must prepare quarterly state budget income settlement reports and submit them to the central financial guidance authority within the prescribed period.

Article 73 (Retention Period for State Budget Payment Documents)

Financial institutions must retain state budget income ledgers and state payment vouchers

issued by banks for five years.

Institutions, enterprises, and organizations must retain quarterly statements and annual accounting settlement reports related to state budget payments for ten years.

Article 74 (Guaranteeing Conditions for State Budget Income Operations)

State planning agencies, banks, labor administration agencies, statistical agencies, and relevant entities must timely provide the equipment, labor, and materials necessary for state budget income operations.

Chapter 5: Legal Responsibilities

Article 75 (Compulsory Payment)

If state budget payment regulations are violated, the relevant funds shall be collected compulsorily.

Article 76 (Civil Liability)

If a violation of this law causes damage to other entities or citizens, the responsible party shall bear civil liability, including penalties, late fees, and compensation for damages.

Article 77 (Compensation Penalty)

If a violation of this law causes damage to state or social property, the responsible party shall be subject to compensation penalties.

Article 78 (Fines)

The following cases are subject to fines imposed on the relevant institutions, enterprises, or organizations:

1. Failure to register state budget payment data on time: 100,000–500,000 won
2. Conducting production or service activities without registering state budget payment data: 1,500,000 won
3. Forging state budget payment registration certificates: 1,500,000 won
4. Using or processing unapproved vouchers or fine notices: 100,000–1,500,000 won
5. Failure to report or false reporting of total income and state budget payment amounts: 500,000–1,500,000 won
6. Failure to pay state budget contributions on time: 100,000–1,500,000 won
7. Improper management or failure to retain state budget payment documents for the prescribed period: 100,000–1,500,000 won

Article 79 (Suspension Penalty)

If the violations in Article 78 are not corrected despite instructions from the supervisory authority, the relevant business activities may be suspended, and in severe cases, the business may be closed.

Article 80 (Warnings and Severe Warnings)

The following cases are subject to warnings for the responsible person:

1. Conducting production or service activities without registering state budget payment data
2. Failure to provide necessary data for registration on time
3. Failure to re-register updated data or obtain a new registration certificate
4. Hindering production or service activities by unjustifiably delaying registration or issuance of certificates
5. Improper management or failure to retain documents for the prescribed period
6. Hindering operations by failing to provide necessary conditions for state budget income work

Severe warnings are issued if the above violations are serious.

Article 81 (Unpaid Labor and Labor Re-education Penalties)

The following cases are subject to unpaid labor or labor re-education for up to 3 months:

1. Forging or trading state budget payment registration certificates
2. Using or processing unapproved vouchers or fine notices
3. Failure to report or false reporting of total income and state budget payment amounts
4. Failure to properly pay state budget contributions
5. Obstructing state budget payment operations

If the above violations are serious, the penalty may exceed 3 months.

Article 82 (Demotion, Dismissal, Removal Penalties)

If a violation of this law results in serious consequences, the responsible person may be demoted, dismissed, or removed from office depending on the severity.

Article 83 (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.

Chapter 6: Enforcement

Article 84 (Effective Date)

The amended and supplemented State Budget Revenue Law, enacted by Decree No. 1489 of the Standing Committee of the Supreme People's Assembly of the Democratic People's Republic of Korea on December 5, Juche 112 (2023), shall come into effect on December 20, Juche 112 (2023).