

Democratic People's Republic of Korea

Law on Electronic Payments

Adopted by Decree No. 762 of the Standing Committee of the Supreme People's Assembly
on October 29, Juche 110 (2021)

Amended and supplemented by Decree No. 1365 of the Standing Committee of the
Supreme People's Assembly on July 13, Juche 112 (2023).

Article 1 (Mission of the Electronic Payments Law)

The Electronic Payments Law of the Democratic People's Republic of Korea establishes strict systems and order in electronic payment activities, reduces cash circulation, increases cashless circulation, and contributes to the smooth flow of currency.

Article 2 (Definition)

The electronic payment system is a system in which monetary settlements arising in the course of economic transactions are conducted through electronic payment instruments. The electronic payment system includes the interbank electronic payment system established and operated by banks, as well as electronic payment service systems established and operated independently by institutions, enterprises, and organizations outside banks.

Electronic payment instruments include computers, financial cards and card readers, mobile phones, and automated teller machines.

Article 3 (Scope of Application)

This law applies to banks, institutions, enterprises, organizations, and citizens that operate or use the electronic payment system.

Matters not specified in this law concerning foreign-currency electronic payments shall be governed by the relevant laws and regulations.

Article 4 (Guidance of Electronic Payment Activities)

Guidance over electronic payment activities shall be carried out under the unified leadership of the Cabinet by the Central Bank and the relevant institutions.

The Central Bank and the relevant institutions must properly manage electronic payment activities and continuously improve them.

Article 5 (Establishment of the Interbank Electronic Payment System)

The interbank electronic payment system, which guarantees electronic payments between banks, shall be established by the Central Bank.

The interbank electronic payment system, which guarantees electronic payments between banks and institutions, enterprises, and organizations, shall be established by the relevant banks.

Article 6 (Procedures for Joining the Interbank Electronic Payment System)

Banks, institutions, enterprises, organizations, and citizens wishing to join the interbank electronic payment system must submit application documents to the Central Bank or the relevant bank.

The Central Bank or the relevant bank shall review the application within two working days of receipt and either approve or reject it.

Article 7 (Issuance of Certificates for Use of the Electronic Payment System)

Banks, institutions, enterprises, organizations, and citizens using the electronic payment system must obtain an electronic certificate from the relevant authority.

Article 8 (Establishment of the Electronic Payment Service System)

Institutions, enterprises, and organizations that wish to establish and operate an electronic payment service system must submit an application for authorization of electronic payment service operations to the Central Bank.

The Central Bank shall review the application within two working days of receipt and either approve or reject it.

Article 9 (Registration of Equipment Used in the Electronic Payment System)

Banks, institutions, enterprises, and organizations must register computers and other information equipment used in the electronic payment system with the Central Bank and the relevant institution.

If information equipment is to be replaced, approval must be obtained from the Central Bank and the relevant institution.

Article 10 (Recording of Matters Related to the Electronic Payment System)

Banks, institutions, enterprises, and organizations must record in registers matters related to the operation of the electronic payment system, installation, inspection, maintenance, and replacement of information equipment.

Article 11 (Preparation and Transmission of Electronic Payment Documents)

Institutions, enterprises, organizations, and citizens wishing to make electronic payments must prepare electronic payment documents in the prescribed format and transmit them to the bank via computer networks.

Article 12 (Review of Electronic Payment Documents and Settlement of Funds)

Banks must review electronic payment documents received on the same day and make the relevant settlements.

If there are irregularities in the electronic payment documents, the bank must state the reasons and return them on the day received.

Article 13 (Validity of Electronic Payment Documents)

Electronic payment documents shall only be valid if they bear an electronic signature in accordance with the State Electronic Signature System.

Article 14 (Electronic Payment Service Operations)

Electronic payment service system operating units must carry out electronic payment service operations within the scope approved by the Central Bank.

In this case, they must open accounts in designated banks.

Article 15 (Registration of Units Using the Electronic Payment Service System)

Units using the electronic payment service system must be registered with the Central Bank through the electronic payment service system operating unit.

Article 16 (Measures for Understanding Electronic Payment Service Conditions)

The Central Bank must regularly review the service conditions of electronic payment service system operating units and take the necessary measures.

Electronic payment service system operating units must timely provide the data requested by the Central Bank.

Article 17 (Application of Financial Service Fees)

Banks, institutions, enterprises, organizations, and citizens engaged in electronic payments shall apply the prescribed financial service fee rates related to electronic payment operations.

The setting of financial service fees shall be conducted by the Central Bank.

Article 18 (Accounting of Electronic Payment Operations)

Accounting related to electronic payment operations shall be based on financial accounting procedures and methods prescribed by the Central Bank.

Banks, institutions, enterprises, and organizations must strictly comply with the prescribed accounting procedures and methods according to the form of electronic payments.

Article 19 (Preservation of Electronic Payment Operation Materials)

Banks, institutions, enterprises, and organizations must preserve materials related to electronic payment operations for the prescribed period.

Measures must be taken to prevent materials from being added, deleted, or altered.

Article 20 (Measures and Notification Regarding Abnormal Phenomena)

Banks, institutions, enterprises, organizations, and citizens must take timely measures and notify the relevant authority if abnormal phenomena appear in the operation or use of the electronic payment system.

Article 21 (Supervision and Control over Electronic Payment Activities)

Supervision and control over electronic payment activities shall be conducted by the Central Bank and the relevant supervisory authorities.

The Central Bank and the relevant supervisory authorities must properly supervise and control the establishment, operation, and use of the electronic payment system.

Article 22 (Fines)

In the following cases, fines shall be imposed on institutions, enterprises, or organizations:

1. Operating an electronic payment service system without approval: 500,000–1,000,000 won
2. Using information equipment in the electronic payment system without registering it: 1,000,000–1,500,000 won
3. Conducting electronic payment service operations beyond the approved scope: 100,000–500,000 won
4. Violating prescribed financial service fee rates: 100,000–500,000 won

In the following cases, fines shall be imposed on institutions, enterprises, organizations, and citizens:

1. Operating an electronic payment service system without approval: 500,000–1,000,000 won for institutions, enterprises, organizations
2. Using information equipment in the electronic payment system without registering it: 1,000,000–1,500,000 won for institutions, enterprises, organizations
3. Conducting electronic payment service operations beyond the approved scope: 100,000–500,000 won for institutions, enterprises, organizations
4. Violating prescribed financial service fee rates: 100,000–500,000 won for institutions, enterprises, organizations

5. Institutions, enterprises, organizations, or citizens required by law to adopt and use the electronic payment system but failing to do so:
 - Institutions, enterprises, organizations: 1,500,000 won
 - Citizens: 100,000 won

Article 23 (Suspension Penalties)

If the violations under Article 22 are not corrected despite the supervisory authority's request, the operations of the institution, enterprise, or organization shall be suspended. In serious cases, the business shall be closed.

Article 24 (Confiscation Penalties)

If order relating to the establishment, operation, and use of the electronic payment system is violated, any funds or goods obtained through illegal acts or used in such acts shall be confiscated.

Article 25 (Warnings, Severe Warnings, Unpaid Labor, Re-education, Demotion, Dismissal, or Expulsion)

In the following cases, the responsible person shall be given a warning, severe warning, or punished with unpaid labor of up to three months or re-education:

1. Improper establishment or operation of the electronic payment system causing disruption to settlements
2. Failure to properly review application documents related to the electronic payment system in a timely manner
3. Use of equipment in the electronic payment system without registering it
4. Failure to accurately record in registers matters related to the operation of the electronic payment system, installation, inspection, maintenance, or replacement of information equipment
5. Failure to review electronic payment documents and conduct settlements in a timely manner
6. Conducting electronic payment service operations without approval
7. Violation of prescribed financial service fee rates
8. Violation of financial accounting order

9. Failure to preserve documents related to electronic payment operations for the prescribed period, or unauthorized addition, deletion, or alteration of such documents

If the acts in Paragraphs 1–9 are serious, the responsible person shall be punished with unpaid labor or re-education for more than three months, or with demotion, dismissal, or expulsion.

Article 26 (Criminal Liability)

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