

The DPRK Law on Special Zone for International Tour of Mt. Kumgang was promulgated.

Decree No. 1673 of the Presidium of the Supreme People's Assembly of the DPRK was promulgated on Tuesday (2011-5-31) in this regard.

It said that the DPRK Law on Tourist Area in Mt. Kumgang which was promulgated according to Decree No. 3413 of the Presidium of the SPA (Nov. 13, 2002) and the rules for its enforcement became invalid.

The DPRK Law on Special Zone for International Tour adopted on May 31 is as follows:

Chapter I. Keystone of Law on Special Zone for International Tour of Mt. Kumgang

Article 1. Mission of Law on Special Zone for International Tour of Mt. Kumgang

The DPRK Law on Special Zone for International Tour of Mt. Kumgang shall contribute to turning Mt. Kumgang into a world-famous special tourist zone by properly setting up a system and order in the development of the Special Zone for International Tour of Mt. Kumgang (hereinafter called Special Zone for International Tour) and its management and operation.

Article 2. Status and Position of Special Zone for International Tour (SZIT)
SZIT is the special area for tour in the DPRK where it is possible to freely conduct tour and economic activities related to it.

SZIT shall include the Township of Kosong County, some area of Onjong-ri, Lagoon Samil, Sea Kumgang area, Inner Kumgang area of Kumgang County and some area of Thongchon County in Kangwon Province.

Article 3. Principle for the Development of SZIT

It is the state policy to turn the world famous Mt. Kumgang into a special zone for international tour.

The state shall turn Mt. Kumgang into a comprehensive tourist zone capable of achieving various purposes of tour and playing diverse functions and positively develop tour.

Article 4. Principle for Encouraging Investment and Ensuring Conditions for Economic Activities

Foreign juridical persons, individuals and economic bodies can invest in SZIT.

South Koreans, overseas Koreans and relevant institutions and organizations of the DPRK can invest in SZIT.

The state shall actively encourage investment in SZIT and provide preferential conditions for economic activities to the investors.

Article 5. Principle for Protecting Properties

The state shall protect by law the invested fund and income gained legally and rights granted to an investor.

Article 6. Manager of SZIT

The management board for special zone for international tour of Mt. Kumgang (hereinafter called Management Board for SZIT) shall manage SZIT under the coordinated guidance of the Central Guidance Agency of Special Zone for International Tour of Mt. Kumgang (hereinafter called the Guidance Body for SZIT).

Article 7. International Exchange and Cooperation

The state shall boost exchange and cooperation with international tourist bodies and foreign tourist organizations for the work in SZIT.

Article 8. Application of Law and regulations

Development and management of SZIT, tour and tourist industry and other economic activities shall be subject to this law and regulations and detailed rules for its enforcement.

Chapter II. Management of Special Zone for International Tour

Article 9. Position of the Guidance Agency of Special Zone for International Tour

The agency is a central guidance agency that guides the development of SZIT and its management and operation in a coordinated manner.

Article 10. Duty and Authority of the Guidance Agency of Special Zone for International Tour

The guidance agency shall conduct the following work:

1. It shall guide the work of the Management Board for SZIT.

It shall work out detailed rules for the enforcement of the Law and Regulations of the Law on SZIT.

It shall examine and approve the master plan for the development of SZIT.

It shall receive and keep copies of designs for the construction of objects.

It shall administer taxes of SZIT.

Beside it shall undertake the work entrusted to it by the state.

Article 11. Position of the Management Board for SZIT

The management board is a field executive body which manages SZIT.
The chief of the management board is chairman.

Article 12. Duty and Authority of the Management Board for SZIT

The management board shall conduct the following work:

1. It shall work out and implement the master plan for the development of SZIT.
2. It shall survey, develop and manage tourist resources.

It shall organize information service for tour, invite tourists and plan tourism.

It shall keep order and protect persons and their properties in SZIT.

It shall let out land and buildings.

It shall invite investment, approve enterprise set-up, register it and give license for business.

It shall register the right to use land, buildings and vehicles.

It shall provide manpower necessary for business activities.

It shall sanction construction and examine the completion of projects.

It shall manage infrastructure of SZIT.

It shall protect environment and take fire fighting measures in SZIT.

It shall render cooperation in ensuring the entry and exit of persons and transport means and taking things inside and outside SZIT.

Beside it shall undertake the work entrusted to it by the management board.

Article 13. Organization and operation of the Joint Consultative Organization

There can be in SZIT a joint consultative organization made up of representatives of the Management Board for SZIT, investors and enterprises.

The Joint Consultative Organization shall discuss and settle important issues arising in the development and management of SZIT and business operation.

Article 14. Management of entrance and exit in SZIT

Visa exemption shall be in force in SZIT.

The persons and transport means entering SZIT from outside the territory of the DPRK can go in and out free from visa through the designated passage with passports or passes that replace them.

The order whereby one can go in and out of SZIT via other regions of the DPRK and the order whereby one can go in and out of other regions of the DPRK from SZIT shall be established separately.

Article 15. Inspection and quarantine

The persons, animals and plants and transport means going in and out of SZIT shall be subject to passage inspection, customs inspection and quarantine inspection of hygiene and animals and plants.

The inspection and quarantine body shall ensure a speedy inspection and quarantine by scientific and technical means so that they may not disturb security and entry and exit in SZIT.

Article 16. Environmental management

SZIT shall ban the cutting of trees in the scenic forests and the construction of buildings and facilities that may damage scenic beauty including scenic spots, pine groves on seaside, beaches, mysterious rocks and cliffs, elegant and wonderful shapes of mountains and scenic islands and such natural monuments and famous historic sites as caves, waterfalls and sites of old walls or hinder the environmental protection. It shall meet such standard of environmental protection as the allowed level of discharge of contaminated materials, noise and vibration.

Article 17. Use of communication means

SZIT shall ensure the free use of such communication means as mail, telephone, fax and Internet.

Chapter III. Tour and Tourist Service

Article 18. Tourist

SZIT shall provide tour to foreigners.

Citizens of the DPRK and south Koreans and overseas compatriots can also tour in SZIT.

Article 19. Forms and methods of tour

Tour shall involve diverse forms and methods such as mountaineering, sightseeing, sea bathing, recreation, experience, amusement, sports and treatment.

Tourists can enjoy tour in SZIT in freedom.

Article 20. Environment and conditions for tour

The Management Board for SZIT shall provide tourists with good environment and ample conditions so that they may enjoy a high level of tour.

Article 21. Service for tourists

Investors can set up diverse facilities in SZIT such as lodging-house, restaurant, shop, casino, golf course, night club and medical treatment and amusement halls and offer diverse service for tourists.

Article 22. International events

SZIT can host diverse events such as international meeting, expo, exhibition, seminar, art performance and sports games.

Article 23. Transport

The guidance agency and the Management Board for SZIT shall build an international airport, harbor and tourist railways and roads to fully provide tourists with convenience in transport.

Chapter IV. Establishment, Registration and Operation of Enterprise

Article 24. Establishment of Enterprise

An investor can independently or jointly invest in the field of infrastructural construction for the development of SZIT and tourist business such as travel service, lodging, catering, casino, golf course, amusement and public service facilities and establish diverse enterprises.

Article 25. Implementation of the Master Plan for the Development of Special Zone for International Tour

SZIT shall be developed according to its master plan.
An investor shall meet the requirements of the master plan of SZIT when building infrastructure or establishing an enterprise there.

Article 26. Approval of Enterprise Establishment and Its Registration

An investor shall receive an approval from the Management Board for SZIT for enterprise establishment before setting up and operating an enterprise there.

Upon getting a license for business, an investor shall complete the registration of an enterprise, tax and customs in the appointed period.

Article 27. Approval of Infrastructural Construction

The Guidance Agency of Special Zone for International Tour shall approve infrastructural construction such as airport, railways, roads, harbor and power station for the development, management and operation of SZIT.

It shall encourage the investment in the field of infrastructural construction such as airport, railways, roads, harbor and power station, in particular.

Article 28. Establishment of Branch, Agent and Agency

Branch, agent and agency can be set up in SZIT.
In this case they shall be subject to the approval from the Management Board for SZIT.

Article 29. Opening of Bank Account

An enterprise and individuals can open and use account at banks of the DPRK or foreign banks established in SZIT.

Article 30. Exchange of Securities of Foreign Currency

An enterprise and individuals can exchange securities of foreign currency at the designated place in SZIT.

Article 31. Contract on Insurance

Enterprise[s] and individuals can be insured by insurance companies of the DPRK or foreign countries established in SZIT.

Article 32. Disposal of Sewage

An enterprise shall have in place facilities to protect environment such as modern purifying centre, settling basin and dumping ground and sanitary facilities and purify or dispose of waste water so that it may not hinder tourism and environmental protection.

Chapter V. Provision of Conditions for Business Activities

Article 33. Employing Manpower

An enterprise in SZIT can employ manpower from the DPRK or the south side and overseas compatriots.

Article 34. Currency in SZIT

Convertible foreign currency shall be circulated in SZIT.

Varieties of convertible foreign currency and the standard currency shall be decided by the guidance agency for SZIT under an agreement with the institution concerned.

Article 35. Carrying foreign currency in and out of SZIT, its remittance and taking out properties

One can freely carry foreign currency into and out of SZIT and remit the legally gained profits and income.

An investor can take out of the territory of the DPRK the properties brought into SZIT from other countries and the properties legally gained in SZIT after his or her business term has expired.

Article 36. Tax

An enterprise and individuals in SZIT shall pay taxes as stipulated in the relevant law and regulations.

The enterprises in the specially encouraged fields such as the construction of airport, railroads, roads, harbor and power station shall be exempted from taxes or shall pay reduced taxes.

Article 37. Taking Things inside and outside

One can freely take things required for business inside and outside SZIT except for anything banned.

Article 38. Exemption of tax and objects subject to tax payment

Preferential tax system shall be in force in SZIT.

Materials necessary for the development of SZIT and enterprise management and office and household supplies of the specified scope shall be exempted from taxes.

Tariff shall be imposed on those who sell the things exempt from tax outside SZIT or bring those things restricted by the state into SZIT.

Article 39. Provision of conditions for entry and exit of persons and transport means and taking things inside and outside SZIT

The Management Board for SZIT and the relevant institution shall fully provide conditions for the entry and exit of persons and transport means and carrying things in and out so that the development of SZIT and business activities may not be hindered.

Those who enter or leave SZIT through the designated airport shall not pay airport fee.

Chapter VI. Sanctions and Settlement of Disputes

Article 40. Sanctions

Those who caused hindrance to the management and operation of SZIT and the tour of the zone or caused damage to enterprises or individuals in violation of this law shall restore them to their original state or make compensation or shall be fined depending on their violation.

Those who encroach upon the security of the DPRK or seriously violate the social order shall own administrative or criminal responsibility according to the relevant law.

Article 41. Settlement of Disputes

Any differences that crop up as regards the development, management and operation of SZIT shall be settled through discussion between the parties concerned.

Those cases hard to settle through consultation shall be solved through arbitration procedure agreed upon between the parties concerned or through the legal procedure of the DPRK.