

## Korea Launches Powerful Anti-Corruption Investigative Body

***Companies with business operations in Korea should assess the risk of possible violations subject to the CIO's jurisdiction.***

*Gwon-lyeog-hyeong bi-li*, a Korean phrase that translates as “power-type corruption” in English, refers to corruption involving senior government officials. In January 2021, the Korean government launched the Corruption Investigation Office for High-Ranking Officials (CIO) to investigate this type of corruption along with other crimes committed by senior government officials. Given the CIO's expansive authority, companies with business operations in Korea are advised to assess the risks associated with interacting with high-ranking government officials in Korea.

### Background

President Moon Jae-in, in his inaugural speech in May 2018, vowed to create an agency that would be independent from politics and could provide significant checks and balances against the public prosecutors' office. However, the idea of establishing the CIO goes back to the late 1990s, when the office's seeming unwillingness to vigorously investigate high-profile corruption scandals engendered criticism. More than two decades later, the National Assembly passed a revised bill establishing the CIO in December 2020. In January 2021, the CIO officially launched with the appointment of Kim Jin-Wook as the inaugural chief of the agency.

### Scope of Authority

The CIO has the authority to investigate alleged crimes committed by current and former high-ranking officials, including presidents, prime ministers, members of the National Assembly, judges, and prosecutors, among others,<sup>1</sup> as well as those officials' family members (spouses, parents, and children). For presidents, the CIO's jurisdiction extends to cousins.

The crimes subject to the CIO's investigative authority include bribery, embezzlement, breach of trust, abuse of official authorities, and perjury, among others.<sup>2</sup> The CIO also has the authority to investigate individuals who are not current or former high-ranking officials for alleged bribery to and from high-ranking officials and any crime related to a crime committed by a high-ranking official that the CIO becomes aware of in the course of the investigation.<sup>3</sup>

If other investigative agencies (such as the prosecution and the police) become aware of a crime of a high-ranking official, they are required to notify the CIO, at which point the CIO may request a case transfer. Other investigative agencies are obligated to comply with the CIO's request for a case transfer.<sup>4</sup>

Upon completion of an investigation, the CIO holds the authority to prosecute crimes committed by judges, prosecutors, and police officers.<sup>5</sup> For other crimes, the CIO is required to send the case files to the public prosecutors' office.

## Compliance Takeaway

Unlike the Improper Solicitation and Graft Act of 2016, which significantly expanded the scope of the anti-corruption regulatory framework,<sup>6</sup> the CIO mainly reflects procedural changes. That said, companies with business operations in Korea are advised to conduct risk assessments measuring the likelihood and severity of possible violations subject to the CIO's jurisdiction. Further, companies whose operations may also be subject to the US Foreign Corrupt Practices Act, the UK Bribery Act, or other international anti-corruption laws should be mindful that a CIO investigation may trigger an investigation outside Korea given the expectation that it may attract significant media attention.

---

If you have questions about this *Client Alert*, please contact one of the authors listed below or the Latham lawyer with whom you normally consult:

**[Kaede Toh](#)**

kaede.toh@lw.com

+81.3.6212.7809

Tokyo

**[Junyeon Park](#)**

jun.park@lw.com

+81.3.6212.7815

Tokyo

---

### You Might Also Be Interested In

[Global Legal Insights: Bribery & Corruption 2021, 8th Edition – Japan](#)

[Global Legal Insights: Bribery & Corruption 2021, 8th Edition – China](#)

[Expansive Korean Anti-Corruption Law Comes into Force](#)

---

*Client Alert* is published by Latham & Watkins as a news reporting service to clients and other friends. The information contained in this publication should not be construed as legal advice. Should further analysis or explanation of the subject matter be required, please contact the lawyer with whom you normally consult. The invitation to contact is not a solicitation for legal work under the laws of any jurisdiction in which Latham lawyers are not authorized to practice. A complete list of Latham's *Client Alerts* can be found at [www.lw.com](http://www.lw.com). If you wish to update your contact details or customize the information you receive from Latham, [visit our subscriber page](#).

**Endnotes**

---

- <sup>1</sup> The full list of high-ranking officials is available at The Act on Establishment and Operation of the Corruption Investigation Office for High-Ranking Officials (Act) (No. 16863) at article 2 paragraph 1.
- <sup>2</sup> See article 2, paragraph 3 of the Act for the full list of crimes of high-ranking officials subject to the CIO's investigative jurisdiction.
- <sup>3</sup> See article 2, paragraph 4 of the Act for the full list of related crimes subject to the CIO's investigative jurisdiction.
- <sup>4</sup> In early May 2021, the CIO announced that it would begin an investigation into favoritism allegations relating to the current Superintendent for the Seoul Metropolitan Office of Education as its first case, upon transfer from the Seoul Metropolitan Police Agency following the CIO's request.
- <sup>5</sup> Act at article 3, paragraph 2.
- <sup>6</sup> Latham & Watkins *Client Alert*, Expansive Korean Anti-Corruption Law Comes into Force, September 2016 (<https://www.lw.com/thoughtLeadership/LW-korean-anti-corruption-law-comes-into-force>).