

Headquarters
United States Forces Korea
Unit 15237
APO AP 96205-5237

United States Forces Korea
Regulation 37-14

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Financial Administration

UNITED STATES AND REPUBLIC OF KOREA CURRENCY AND
CURRENCY INSTRUMENTS

*This regulation supersedes USFK Regulation 37-14, dated 3 February 1997.

FOR THE COMMANDING GENERAL:

JOSEPH F. FIL, JR.
Lieutenant General, USA
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Summary. This regulation establishes policies and prescribes procedures regarding the acquisition of United States (U.S.) and Korean currency (won) and the use of U.S. currency, dollar instruments, won, and won instruments within the Republic of Korea (ROK).

Summary of Change. This regulation has been substantially changed. A full review of its contents is required.

Applicability. This regulation applies to the following persons, agencies, and organizations:

a. All active duty U.S. military personnel, to include Reserve Component personnel, while on active duty in the ROK in excess of 30 consecutive calendar days.

b. All active duty military personnel of foreign armies (other than ROK) who are authorized individual logistics support by Headquarters (HQ), United States Forces, Korea (USFK) through an agreement with the ROK (that is, the Meyer Agreement).

c. All civilian personnel employed by organizations, activities, and agencies assigned to, attached to, or under the disciplinary control of United Nations Command Military Armistice Commission, ROK-U.S. Combined Forces Command, USFK, or Department of Defense (DoD).

d. All personnel assigned to, or on duty in U.S. diplomatic or consular posts in the ROK who are authorized individual logistics support by HQ, USFK (that is, Joint United States Military Assistance Group, Korea (JUSMAG-K), Special United States Liaison Advisor, Korea (SUSLAK), and U.S. Embassy).

e. Retired U.S. military personnel and 100 percent disabled veterans residing in the ROK and Reserve Component personnel on active duty for training for 30 days or less.

f. All civilians employed by invited contractors or technical representatives approved under provisions of USFK Reg 700-19 and are authorized individual logistics support.

g. All third-country citizen (TCC) civilians employed by U.S. activities who are authorized individual logistics support by the Assistant Chief of Staff (ACofS), J1.

h. All U.S. civilians employed by the American Red Cross, United Services Organization, United Seamen's Service, Boy Scouts of America, and Girl Scouts of America.

i. The lawful Family members of the aforementioned whose sponsor is stationed in the ROK for duty.

j. Other persons who are specifically authorized individual logistical support by HQ, USFK, to the extent so designated in writing or by directive.

k. Official U.S. Government agencies, officially-sponsored agencies, military banking facilities (MBFs), Federal Credit Unions (FCUs), invited contractor and technical representative corporations, private organizations, and agencies conducting business within the ROK that are covered by the Status of Forces Agreement (SOFA), JUSMAG-K Agreement, or by any similar agreement between the ROK Government and the U.S. Government.

l. Republic of Korea citizens, military members, stateless persons residing in the ROK and all other countries who are not governed by the SOFA or other agreement between the U.S. and ROK.

Supplementation. Supplementation of this regulation and issuance of command and local forms by subordinate commands is prohibited unless prior approval is obtained from the 175th Financial Management Center, (FMC), ATTN: EANC-FMC-FP, Unit 15300, APO AP 96205-5300.

Internal Control Process. This regulation is not subject to the requirements of AR 11-2. It does not contain internal control provisions

Records Management. Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2 or applicable service regulations. Record titles are available on the Army Publishing Directorate website at <https://www.arims.army.mil>.

Forms. USFK forms are available at www.usfk.mil.

Suggested Improvements. Users are invited to send comments and suggested improvements on DA Form 2028, (Recommended Changes to Publications and Blank Forms) to the Director, 175th Financial Management Center, ATTN: EANC-FMC-FP, Unit #15300, APO AP 96205-5300.

Distribution. Electronic Media Only (EMO).

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Chapter 1

Introduction

1-1. Purpose

This regulation establishes policies and prescribes procedures regarding the acquisition of United States (U.S.) and Korean currency (won) and the use of U.S. currency, dollar instruments, won, and won instruments within the Republic of Korea (ROK).

1-2. References

Required and related publications are listed in appendix A.

1-3. Explanation of Abbreviations and Terms

Abbreviations and special terms used in this regulation are listed in the glossary.

1-4. Responsibilities

a. Chiefs, JUSMAG-K, and SUSLAK will disseminate the policies, instructions, and information in this regulation to the extent deemed necessary.

b. The USFK component commanders and chiefs of other agencies and organizations will—

(1) Implement this regulation.

(2) Disseminate in the widest possible manner the policies, instructions, and information in this regulation.

(3) Provide periodic instruction of policy and procedures in this regulation to personnel subject to their authority or supervisory control. Particular emphasis shall be given to their orientation of personnel who are responsible for financial transactions as a part of their regularly assigned duties.

(4) Ensure incidents involving currency violations are investigated promptly and disciplinary, administrative, or corrective action is taken as necessary. Immediate telephonic reports of unauthorized possession of U.S. currency or dollar instruments, or of suspected improper possession or acquisition by personnel authorized to possess U.S. currency, shall be made to the nearest Provost Marshal, Security Police, U.S. Army Criminal Investigation Office, or U.S. Air Force Office of Special Investigation, as appropriate. Reporting requirements herein are exempt from management information control under AR 335-15, subparagraph 5-2c (5).

(5) Distribute this regulation to technical representatives and invited contractors under their cognizance.

c. Installation commanders will—

(1) Ensure that only those authorized activities referred to in subparagraphs 2-6a and 2-6b make won sales only to those individuals and agencies covered in subparagraphs a thru k in Applicability of this regulation.

(2) Ensure that only those authorized activities referred to in subparagraph 2-5b make won-to-dollar reconversion as prescribed by paragraph 2-8.

(3) Authorize the local finance office to make currency exchange transactions in areas not adequately serviced by an MBF or nonappropriated fund instrumentality (NAFI) won sales activity. This authorization must be in writing and may be a blanket authorization or the authorization may be for specific days and times only. A copy of any such authorization will be provided to the Director, 175th Financial Management Center, ATTN: Finance Policy (EANC-FMC), Unit #15300, APO AP 96205-5300.

d. The Central Funding Office (CFO) will—

(1) Obtain U.S. currency. The amount of U.S. currency to be obtained is limited to that portion of the required amount that the MBF is unable to obtain from Korean banks.

(2) Publish the official currency exchange rates on the share drive via 176th Financial Management Company (FMCO).

e. The MBF will—

(1) Operate CFOs custody account according to the DoD MBF contract and the Custody Account Agreement (CAA).

(2) Determine the biweekly U.S. currency requirements for all USFK activities.

(3) Compute, establish, and publish by message, the official currency exchange rates to be used by all USFK activities.

(4) Recoup U.S. currency from Korean banks per the DoD MBF contract.

(5) Provide U.S. and Korean currency to all USFK Activities including military finance offices (MFOs) according to the DoD MBF contract.

(6) Purchase won to meet the won requirements of all USFK activities.

(7) Make currency conversions for authorized personnel and agencies per this regulation.

f. Military finance officers and managers of other USFK activities will:

(1) Obtain U.S. and Korean currency per this regulation.

(2) Ensure that the payee (person or activity) is authorized to receive the currency concerned when disbursing U.S. or Korean currency or when making currency conversions.

(3) Provide currency to NAFI and Army and Air Force Exchange Service (AAFES) Korea activities and to other MFOs when there is no local MBF in the vicinity or when the local MBF is unable to do so because of mobilization, labor difficulties, temporary security problems, or other unforeseen problems preventing normal operations. Activities so funded will accept delivery of all currency ordered for safekeeping in their facilities. The rate that applies in paragraph 8 below will be used.

Chapter 2 Acquisition

2-1. Acquisition of United States Currency

United States currency is procured locally through Brinks. The CFO will coordinate the ordering of and initial receipt of U.S. currency shipments based on funding order provided by Community Bank. The Disbursing officer cuts the treasury check and funds are delivered by Brinks.

2-2. Acquisition of Won

Won will be purchased per the DoD MBF contract by the MBF (or CEO) from the Bank of Korea (BOK), or any other financial institutions (foreign or domestic), based on the consolidated requirement for all USFK activities. The acquisition rate will be the highest attainable rate, based on the highest available rate offered by the BOK. The MBF will determine USFK won requirements based on information received from the MEO and other USFK activities. This determination will be made no later than two workdays prior to the date funds are required. The MBF subsequently will provide won to all USFK activities and the U.S. Embassy through the Shin Han Bank or other bank channels as established. Orders for won will be placed with the MBF that will, in turn, coordinate with the Shin Han Bank or other banks of their choice on the delivery to the ordering activities. Payment for the currency is made upon delivery. The payment is based on the appropriate funding rate in effect for that day.

2-3. Definition of Won Rates

Procedures for establishment of won rates are covered in paragraph 2-4. Exchange rates are defined as follows:

- a. Accommodation rate. Exchange rate for \$1 (U.S.) at which won is sold by authorized activities (less NAFIs, see subparagraph 2-3g) to persons authorized to buy won.
- b. Acquisition rate. Exchange rate for \$1 (U.S.) at which won is bought by the MBF for CFO from the BOK or other authorized sources.
- c. Bulk rate. Exchange rate for \$1 (U.S.) at which won is sold to authorized activities, other than to MFOs (see subparagraph 2-3d), for the purpose of documented, substantiated local national payrolls and payments to local Korean vendors. These payments are subject to periodic audits to review conformity to the bulk rate guidelines.
- d. Command rate. Exchange rate for \$1 (U.S.) at which won is sold by the MBF to MFOs and the U.S. Embassy for the documented substantiated purpose of payroll and official payments. These payments are subject to periodic audits to review conformity to the command rate guidelines.
- e. Large customer rate. Exchange rate for \$1 (U.S.) at which won is sold to authorized agencies (NAFIs and AAFES-Korea), other than MFOs, for documented, substantiated payrolls and vendor payments when that agency buys an average monthly amount of \$1,000,000 or more for the purpose of payrolls and vendor payments. These payments are subject to periodic audits to review conformity to the large customer rate.
- f. Military Banking Facility repurchase rate. Exchange rate for \$1 (U.S.) at which all reconversions of won-to-dollars are made when won is repurchased by the MBF or MFO as authorized in paragraph 2-8.
- g. Nonappropriated Fund Instrumentality accommodation rate.

Exchange rate for \$1 (U.S.) at which won is sold by NAFIs approved by HQ, USFK to sell won to persons authorized to buy won.

h. Nonappropriated Fund Instrumentality exchange rate. Exchange rate for \$1 (U.S.) used when paying in won for goods and services for sale in U.S. dollars by NAFIs, officially sponsored agencies, and private organizations. Goods and services must be officially approved by HQ, USFK to be sold to those individuals authorized by HQ, USFK to make payment in won.

2-4. Establishment of Won Rates

The purpose of each of the listed rates is explained in paragraph 2-3. Rates are as follows:

a. The accommodation rate will be established based on a formula that provides a difference of not more than 2.00 percent below the command rate.

b. The acquisition rate is the actual market rate at which won is bought by the MBF or CFO from official funding sources for official purposes.

c. The bulk rate will be established based on a formula that provides a difference of not more than 0.5 percent (five-tenths of 1 percent) below the command rate.

d. The command rate will be established based on the acquisition rate adjusted to an even won denomination. The command rate is not to vary by more than 5.00 percent from the acquisition rate. In the event of a variance of 5.00 percent or more, reevaluation procedures in subparagraphs 2-4d (1), (2), and (3) will be followed.

(1) On establishment of a new command rate, the MBF will promptly notify 175th FMC (Financial Policy Division, who will publish the new rate at <http://175fincom/wonrate/wonrate.htm>.)

(2) The DoD Finance Offices will determine actual cash won currency holdings to include cash in hands of agents, Imprest fund, cashiers, and foreign currency exchange cashiers in order that holdings may be revalued. Gains and losses as a result of reevaluation will be accounted for according to DODFMR Volume 5 and DFAS-IN 37-1. Won will not be returned from MBFs to the finance offices or to the MBFs from other activities, when reevaluation occurs.

(3) All other official activities (less NAFIs) will determine the amount of won on hand as of close of business of that day. Won transactions will not be conducted the following day until the new rate has been verified with the local finance office and balances revalued at this rate. Resulting gains or losses will be entered in the activity's records as other income or expenses, as appropriate.

(4) The NAFIs will value their won balances per AR 215-1, AFR 215-1, and the DoDFMR Volume 5.

e. The large customer rate will be established based on a formula that provides a difference of not more than 0.03 percent (three-hundredths of 1 percent) below the command rate.

f. The MBF repurchase rate will be established based on a formula that provides a difference of not more than 2.00 percent above the command rate.

g. That NAFI accommodation rate will be established based on an amount that provides a difference of not more than 2.25 percent (two and one-fourths percent) below the command rate, rounded down to an even 10-won increment.

h. The NAFI exchange rate will be established based on the MBF repurchase rate but rounded up to an even 10-won increment.

2-5. Sales of Won

Won sales on USFK military installations will be made only to those individuals, agencies, and organizations covered in subparagraphs a thru l of Applicability. Sales of won by USFK agencies will be at the exchange rates prescribed by paragraph 2-3.

a. The following USFK agencies are authorized to sell won:

(1) The MBF.

(2) Nonappropriated fund clubs and Armed Forces Recreation Centers, as described in AR 215-1 through 215-27 (to authorized individuals only).

(3) Military finance offices. If authorized, as prescribed by subparagraph 1-4c.

(4) Federal Credit Unions. The rates for the buying and selling of won will be as prescribed for NAFI agencies in paragraphs 2-3 and 1-2.

b. Won sales will be recorded by the cashiers on DD Form 2664 (Currency Exchange Record), DoDFMR Volume 5, DFAS-IN 37-1, or completing information required by DD Form 2664 as prescribed by service or activity regulations (see sample at appendix B).

(1) Cashiers will enter the amount of won sold and dollars received for each transaction.

(2) Customers will sign their name in spaces provided.

(3) For won sales of \$500 or under, no other information is required; if columns are present for unit, address, identification numbers, and so forth, they will be left blank.

(4) For won sales over \$500, and for all reconversions (won to-dollar), all information required by the form will be entered by the customer.

(5) The above steps do not affect procedures established by selling activities for acceptance of negotiable instruments.

c. The U.S. Embassy makes won sales to its employees including JUSMAG-K personnel according to its regulations.

2-6. Accumulation of Won in Official Accounts

The accumulation of won in official accounts will be limited to minimum disbursing needs as prescribed below.

a. Finance officers will not accumulate won in their official deposit accounts in excess of three days' disbursements (except for won acquired for accommodation exchanges authorized in this regulation) without specific approval from the Director, 175th FMC.

b. The nonappropriated fund (NAF) activities will not accumulate won currency in excess of required disbursement needs (normally not more than one-sixth of the previous 6 months disbursements) according to DoDFMR Volume 5 and DFAS-IN 37-1.

2-7. Acceptance of Currency for Goods and Services Rendered

a. Payment for goods and services provided by AAFES and NAFI activities to individuals authorized in subparagraphs a thru k of Applicability will be made in U. S. currency or dollar instruments. The use of Korean won is authorized for the purchase of consumable food and beverage items purchased for "on premise consumption" by the individual at NAFI, authorized AAFES concessionaires, and AAFES-Korea food activities (snack bars, dog houses, and so forth).

b. The ROK national civilian and military personnel (to include Korean Augmentation to United States Army (KATUSA) Soldiers) who have been authorized individual logistics support by the ACofS, J1, are authorized to use Korean won or U.S. dollars (rate of exchange will be NAFI exchange rate) to pay for the following:

(1) Consumable food and beverage items purchased for "on premise consumption" by the individual at NAFI and AAFES-Korea food activities (snack bars, dog houses, and so forth).

(2) Nonappropriated fund instrumentality membership and other fees if authorized approved membership by SOFA or other agreements.

(3) Billeting fees if authorized travel within Korea on official U.S. Government travel orders.

(4) Gasoline purchased from AAFES stations by Korea Sales District concessionaires who are authorized this service, by contract, in the performance of their contractual duties.

c. Payment of official debts owed by any individual to a U.S. Government activity will generally be made in the currency in which the debt was originally incurred.

2-8. Reconversions (WON-TO-DOLLAR)

The ROK Foreign Exchange Control Laws (ROK-FECL) stipulate foreigners may reconvert won-to-dollars upon presentation of proof of initial purchase from an authorized source when the U.S. dollar amount does not exceed \$10,000 equivalent per a 12 month tour. Therefore—

a. All reconversions of won into U.S. currency or U.S. dollar instruments, by individuals, will be recorded on DD Form 2664, in accordance with (IAW) DoDFMR Volume 5, and DFAS-IN 37-1.

b. All reconversions are made at the MBF repurchase rate (subparagraph 2-3f) current at the time of reversion. Individuals who bought won at lower accommodation rates will suffer a loss by exchange. This loss is not reimbursable by the Government.

c. For reconversions not approved by this paragraph, see approval authority in appendix C.

d. Reconversions can be made only for the individuals, organizations, and activities listed in subparagraphs a thru k of Applicability.

e. Reversion can be made only by the MBF or MFO, if authorized by the Director, 175th FMC, per subparagraph 1-4c (3).

f. United States Embassy personnel (including JUSMAG-K and SUSLAK) can reconvert currency at the MBF or MFO only with the written approval of the U.S. Embassy, which will normally make all reconversions for their personnel.

g. The MBF or MFO is authorized to make reconversions for individuals covered in subparagraph 2-8d, subject to the conditions and limitations listed below. The following reconversions and amounts do not require approval by any authority:

(1) An amount not to exceed one month's base pay and allowances or \$1,000, whichever is greater, (personnel will provide a copy of their latest leave and earnings statement for reconversions over \$1,000) may be reconverted by individuals departing the ROK on an authorized absence that is projected to be 25 days or more. Reconversions will be substantiated by valid travel orders or other appropriate documents. Controls such as over stamping of documents or leave to reflect the amount converted and date of reconversion are required to further limit the possibility of multiple reconversions.

(2) An amount not to exceed the authorized amount per a 12 month tour or the total accrued per diem, whichever is less, may be converted upon departure of temporary duty (TDY) personnel who present proof of initial purchase.

(3) Small amounts of change as a result of over conversion of dollars to won. Examples: A Soldier obtains won from the bank; he only spends part of it and wishes to reconvert the remainder back to dollars; soldier still has receipt verifying initial purchase. A Soldier obtains won from an automatic teller machine (ATM) by accident; hits won button instead of dollars and desires to immediately reconvert back to dollars; Soldier still has ATM transaction receipt.

(4) The following reconversions require the approval of the appropriate authority listed in appendix C. All approved request for these reconversions will contain the specific amount of won to be reconverted to U.S. dollars or dollar instruments and a statement describing the source of such won and affirming that none of the won presented was acquired in violation of either military regulations, provisions of the SOFA, or the ROK-FECL. To obtain approval, the following must be provided to the approving authority:

(5) For individuals desiring to turn in won rent deposit funds to the MFO, a copy of rental lease or receipt(s) showing that won was originally received from the local disbursing office must be shown. When individuals return won rent refunds, the individual should return currency, not Korean bank bearer checks to prevent the MBF from converting these checks back to won for the individual. An agreement with the ROK Minister of Finance (ROK-MF) and the Korea National Housing Corporation should state currency refunds for currency deposits.

(6) For individuals who have received won for payment of personal property sold, the documents and approval from appropriate authority required by USFK Reg 643-2 (where required).

(7) For individuals who have received won for payment of insurance claims, documents supporting the payment from the appropriate insurance company.

(8) For officially sponsored agencies and private organizations desiring to make a "one-time" reconversion, the name of the individual authorized to make the reconversion, and the installation commander's authorization of the event that generated the won (carnival, picnic, community outing, unit party funded by donations, and so forth).

(9) For NAFIs, officially sponsored agencies, activities, and private organizations desiring to make reconversion on a repeated basis, the name(s) of the individual(s) authorized to make reconversions, the account number and location of the MBF where the U.S. currency or U.S. dollar instrument will be deposited, the specific time period allowed not to exceed one year, and the installation commander's, or the major subordinate commander's authorization.

(10) For Korean nationals (including ROK military and KATUSA Soldiers) desiring to reconvert won-to-dollar instruments because they possess an approved tuition assistance program, an approved DD Form 1556 (Request, Authorization, Agreement, and certification of Training and Reimbursement). The source of won statement for these reconversions will not be required.

(11) For individuals who have received won as payment for tutoring Korean nationals, a copy of a valid work permit issued by the RCJK Government, plus documents reflecting amounts paid by the Korean nationals.

(12) Reconversions of won-to-dollars other than those described above are considered exceptions. Individuals and organizations requesting exceptions to the conversion policy will submit a written request to Director, 175th FMC, ATTN: Finance Policy (EANC-FMC-FP) Unit #15300, APO AP 96205-5300, for approval of reconversions.

(13) Dependents of authorized individuals cannot reconvert won currency to U.S. currency except—

(a) When holding a certified true copy of a power of attorney.

(b) When at safe haven areas as specified within USFK PAM 600-300 (Non-Combatant Emergency Evacuation Instructions).

2-9. Utilization of Banking Facilities

a. Military banking facilities. Individuals, agencies, and organizations covered in subparagraphs a thru k of Applicability may establish U.S. currency accounts with the MBF (or with the FCU, provided membership requirements are met) and also are authorized to utilize all services contained in the DOD banking contracts or FCU charter with the following limitations:

(1) Both DoD civilian employees and active duty U.S. Military personnel on leave or TDY in the ROK (not assigned to or attached for duty with the USFK, the JUSMAG-K, or the U.S. Embassy) are authorized only check cashing privileges, purchase of cashier checks, drafts or money orders, and wire money transfers from the ROK by MBFs or FCUs.

(2) Reserve component personnel on active duty for training for 30 days or less, retired U.S. military personnel and 100 percent disabled veterans, and the family members of the aforementioned residing in the ROK are authorized banking support. These personnel must present proof of residence within the ROK either by demonstrating that they have been in the ROK for over one year or by presenting a work permit from the ROK Government.

(3) Agencies and organizations may establish U.S. Currency accounts with the MBF or FCU located on a USFK military installation. Korean currency accounts may be established with the MBF or a Korean commercial banking facility. Establishment of these accounts (both U.S. and Korean currency accounts) by private organizations requires written approval by the appropriate installation commander prescribed by EUSA Supplement 1 to AR 210-1.

b. Korean commercial banking facilities. Establishment of Korean currency accounts with a Korean commercial banking facility is not prohibited; however, personal accounts will be subject to ROK-FECL.

2-10. Policies

Within the ROK, all currency transactions will be in compliance with the SOFA, DoDFMR Volume 5, and this regulation.

a. Payments to personnel covered by the SOFA or U.S. Embassy agreement with the ROK (subparagraphs a thru j of Applicability) will be made subject to the ROK-FECL .

b. Payments to persons or activities governed by the ROK-FECL, regardless of nationality, will be made in won or won instruments. The SOFA prohibits authorized personnel from using U.S. currency and dollar instruments in transactions with Korean Nationals or firms. Exceptions to this policy are—

(1) Payments to persons departing the ROK on official travel on behalf of the U.S. Government, may be paid an advance of per diem and travel allowances In U.S. currency.

(2) Payment for goods and services rendered will be IAW the Federal Acquisition Regulation (FAR), Subparagraph 25.5.

(a) It is U.S. policy to denominate and pay USFK and Eighth United States Army (EUSA) contracts with Korean firms in either US dollars or won or won instruments with the following stipulations: the contract must have been awarded through the prescribed procedures by appropriate laws and regulations, official contract documents are evidenced, the Korean vendor has a resident US dollar account, and USFK has a non-resident US dollar account. However, USFK/EUSA contracts may be denominated and paid in both dollars and won whenever-significant "offshore purchases" are required such as when a significant portion of the contract price involves material to be purchased and imported directly from the U.S. by the Korean firm (see DoDFAR Supplement (DFARS) 25.5).

(b) The dollar denominations and payments shall be limited to the contract amounts for those items that are to be purchased from the U.S. The contract shall clearly segregate the dollar and won amounts obligated. Exceptions to this policy, if required, shall be governed by FAR and DFAS, Subparagraph 25.5.

(c) United States currency or dollar instruments may be used to tip Korean Nationals in U.S. NAFI activities and to pay for goods or services at any Korean firm provided that the firm is authorized by the ROK NAFI office to accept U.S. currency.

(d) Payments to persons or activities exempted from or not governed by the ROK-FECL may be made in U.S. currency or dollar instruments.

(e) Currency conversions and reconversions will be made at the exchange rates (See paragraph 2-3) in effect on the day the transaction is actually accomplished.

c. Authorized individuals (subparagraphs a thru l of Applicability) may:

(1) Cash dollar instruments at USFK activities according to this regulation or at commercial activities authorized by the ROK-MF.

(2) Cash checks tendered by another person permitted to possess U.S. currency

(3) The transfer of U.S. currency or U.S. dollar instruments out of the ROK is authorized for individuals and activities covered by subparagraphs a thru k in Applicability of this regulation.

However, the currency transmitted must have resulted from the payment for pay and allowances as a result of service with or employment by the U.S. Government or its activities; the authorized sale of personal items; funds realized from sources outside the ROK; the payment of commercial contracts for goods, construction, or services; and the reconversion of won-to-dollars as authorized in paragraph 2-8.

(4) When probable cause exists to believe that U.S. currency was acquired unlawfully, such currency and items to which such currency may have been converted may be seized as evidence per rules 315 and 316 of Military Rules of Evidence and disposed of according to DoDFMR, Volume 5 and DFAS-IN 37-1. Reports involving these incidents will be made IAW the regulations cited in the preceding sentence, with an information copy forwarded to the Director, 175th FMC, ATTN: Finance Policy (EANC-FMC-FP), Unit #15300, APO AP 96205-5300.

Appendix A References

Section I. Required Publications

AR 215-1 (Military Morale, Welfare, And Recreation Programs And Nonappropriated Fund Instrumentalities). Cited in subparagraphs 2-4d(4) and 2-5a(2).

AR 335-15 (Management Information Control System). Cited in subparagraph 1-4b(4).

Custody Account Agreement. Cited in subparagraph 1-4e(1).

DFAS-IN 37-1 (Finance and Accounting Policy Implementation). Cited in subparagraphs 2-4d(2), 2-5b, 2-6b, 2-8a and 2-10c(4).

DoD Contract for Current FY with the Military Banking Facilities (MBFs). Cited in subparagraphs 2-4d(2) and 2-9a(1).

DoD Federal Acquisition Regulation Supplement, Subparagraph 25.5 (Payment in Local Foreign Currency). Cited in subparagraphs 2-10b(2)(a) and 2-10b(2)(b).

DoDFMR Volume 5 (Financial Management Regulations Disbursing Policy and Procedures) . Cited in subparagraphs 2-4d(2), 2-4d(4), 2-5b, 2-6b, 2-8a, and 2-10.

Meyer Agreement. Cited in subparagraph b in applicability.

Military Advisory Group Agreement, as amended, 16 January 1952. Cited in the glossary.

Military Rules of Evidence. Cited in subparagraph 2-10c(4).

Republic of Korea Foreign Exchange Control Law, Number 933, 13 February 1995. Cited in paragraph 13 and subparagraphs 2-8, 2-8g(4), 2-9b, 2-10a 2-10b and 2-10b(2)(d).

ROK-U.S. Status of Forces Agreement with Related Documents, Fifth Edition, May 1992. Cited in paragraph 2-10, subparagraphs 2-7b(2), 2-8g(4), and the glossary.

USFK Pam 600-300 (Non-Combatant Emergency Evacuation Instructions). Cited in subparagraph 2-8g(13)(b).

USFK Reg 643-2 (Transactions Between SOFA Personnel and Personnel Not Entitled Duty-Free Import Privileges in the Republic of Korea). Cited in subparagraph 2-8g(6).

USFK Reg 700-19 (United States Forces, Korea Invited Contractors and Technical Representatives). Cited in subparagraph f of Applicability and the glossary.

Section II. Related Publications

United Services of America Federal Credit Union Charter.

Appendix C

Approving Authority for Reconversion of Won-To-Dollars

C-1. Military personnel. Unit commanders, staff principals, or division chiefs will serve as approving authority for all active duty military personnel except those assigned to or attached for duty with the U.S. Embassy or JUSMAG-K.

C-2. Department of Defense civilian personnel (except those assigned to or attached for duty with the Embassy or JUSMAG-K). Commanders and division chiefs will serve as approving authority for DOD civilian personnel. The division chief must be an officer, or a DOD civilian if assigned to a division chief (or equivalent) position designated as such on an approved manpower document.

C-3. Korean nationals including ROK military and KATUSA Soldiers. When a tuition assistance program has been approved, the responsible commander, chief of the USFK staff, or division office or the designee will serve as approving authority.

C-4. Other personnel and activities. Approving authority for all other personnel and activities will be as follows:

a. For U.S. Embassy personnel including JUSMAG-K personnel, per U.S. Embassy regulations.

b. For personnel employed by invited contractors, the commander or chief of the U.S. Government agency that sponsors the contractor.

c. For technical representatives, the commander or chief of the activity to which they are attached.

d. For personnel employed by officially sponsored agencies and private organizations' activities, the appropriate installation commander.

e. For NAFI activities and private organizations, the installation commander is the approving authority.

C-5. All other requests for conversion of Korean currency or won instruments to U.S. currency or dollar instruments are considered as exceptions to policy and require the approval of the Director, 175th FMC, ATTN: Finance Policy (EANC-FMC-FP), Unit #15300, APO AP 96205-5300.

Glossary

Section I. Abbreviations

AAFES	Army and Air Force Exchange Service
ACF	Accounting and Finance
ACofS	Assistant Chief of Staff
ATM	automatic teller machine
BOK	Bank of Korea
CAA	Custody Account Agreement
CFO	Central Funding Office
DoD	Department of Defense
EUSA	Eighth United States Army
FAR	Federal Acquisition Regulation
FCU	Federal Credit Union
FMC	Financial Management Center
HQ	Headquarters
IAW	in accordance with
JUSMAG-K	Joint United States Military Assistance Group, Korea
KATUSA	Korean Augmentation to United States Army
MBF	Military Banking Facility
MFO	Military Finance Office
NAF	Nonappropriated Fund
NAFI	Nonappropriated Fund Instrumentalities
PACOM	Pacific Command
ROK	Republic of Korea
ROK-FECL	Republic of Korea Foreign Exchange Control Law
ROK-MF	Republic of Korea Minister of Finance

SOFA	Status of Forces Agreement
SUSLAK	Special United States Liaison Advisor, Korea
TCC	third-country citizen
TDY	temporary duty
U.S.	United States (of America)
USFK	United States Forces, Korea

Section II. Terms

Approving authority. The individual or agency that is responsible for approving requests for conversions of won or won instruments to dollar or dollar instruments for authorized personnel and agencies (see appendix C).

Authorized personnel. Those individuals and organizations covered by paragraph 2 of this regulation.

Central funding office. The designated office or agency responsible in USFK for those actions listed in subparagraphs 5d (1) and (2).

Component commanders. The commanders of the component commands of USFK are as follows: Army--Commander, EUSA; Air Force--Commander, U.S. Air Forces, Korea; and Navy-Commander, U.S. Naval Forces, Korea.

Dollar instrument. Any negotiable instrument, excluding U.S. Savings Bonds, containing an obligation to pay a specified amount of money in U.S. currency. Examples are U.S. postal money orders, bank money orders, U.S. Treasury checks, travelers' checks, personal checks, and credit union checks.

Exchange rates. Rates at which won is exchanged for dollars or dollars are exchanged for won.

Finance office. Army-Finance Office; Air Force-Accounting and Finance Office; Navy-Personnel Support Detachment, located in the ROK.

Finance officer. An officer, including appointed agents, whose duties involve monetary transactions.

Foreign exchange cashiers (of all services). Cashiers appointed to finance officers for the purpose of and restricted to the sale of foreign currencies for U.S. dollars.

Imprest fund cashiers (of all services). Individuals appointed to Finance officers to act as custodians of Imprest Funds according to the regulations of the service concerned.

Invited contractors. A corporation and its U.S. officials and U.S. employees that are organized under U.S. law, contracting with the U.S., present in the ROK, and designated as an invited contractor by USFK under Article XV, SOFA.

Korean currency. Legal tender of the ROK, officially designated as won.

Leave and earnings statement. Statement of pay and allowances issued by the individual's employer that states the amount of pay earned, amount paid out through automatic deductions, amount withheld for taxes and other continuing collections, and the net amount of payment due for a specific period of time. For soldiers, this statement is normally issued monthly; for DOD civilian employees, this statement is normally issued biweekly.

Military banking facilities. A banking office on an overseas military installation that is operated by a bank contracted by the Secretary of the Treasury as a depository and financial agent of the U.S. Government and authorized under DoD contract to render certain banking and financial services on the military installation.

Nonappropriated fund instrumentalities. Those agencies operated with nonappropriated funds, authorized and regulated by the U.S. military authorities, and established by the U.S. Armed Forces for use by such forces, the civilian component, and their family members.

Officially sponsored agencies. The organizations that is present in the ROK primarily for the benefit and service of the U.S. Armed Forces such as the American Red Cross and the United Service Organization.

Private organization. A self-sustaining, non-Federal entity constituted or established and operated by individuals acting outside any official capacity as officers, employees, or agents of the Federal government or its instrumentalities. It may be incorporated or unincorporated. It may operate on or off Department of the Army installations; however, to operate on-post, the private organization must have the written consent of the installation commander or higher authority.

Status of Forces personnel. Members of the U.S. Armed Forces except those personnel attached to the U.S. Embassy and personnel for whom status has been provided for in the Military Advisory Group Agreement of January 26, 1952, as amended; civilian persons of U.S. nationality who are in the employ of, serving with, or accompanying the U.S. Armed Forces in the ROK to include technical representatives, invited contractor, and employees of officially sponsored agencies and private organizations, dual nationals (persons having the nationality of U.S. and Korea) who are brought into the ROK by the U.S. shall be considered U.S. nationals; and the family members of the aforementioned.

Technical representatives. A U.S. corporation and its U.S. officials and U.S. employees under contract to serve as special instructors or advisors to U.S. personnel, solely in the ROK for employment by the U.S. Armed Forces and designated as a technical representative by the U.S. under Article I of the SOFA.

Third-country nationals and corporations. Refer to USFK Reg 700-19, paragraph 21, appendix A.

United States Forces, Korea activities. The CFO, finance offices, MBFs, and NAFIs operating in the ROK.

U.S. currency. Legal tender of the United States of America.

Won instrument. Any negotiable instrument containing an obligation to pay a specified amount of money in won.